Swiss International Cooperation

Annual Report 2016

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development and Cooperation SDC

State Secretariat for Economic Affairs SECO

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MARIE-GABRIELLE INEICHEN-FLEISCH
STATE SECRETARY, SECO DIRECTOR

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AMBASSADOR, SDC DIRECTOR-GENERAL

Dear reader,

As was the case in previous years, Switzerland's international cooperation was confronted with many challenges in 2016. Millions of people continued to live in need and misery as a result of ongoing conflicts and disasters. Many of them found their way to Europe and Switzerland in their search for a better future, giving rise to political tensions and increasing expectations on Swiss international cooperation to help find solutions to the refugee crisis. In an effort to link their work more closely and strategically with Swiss migration policy in instances when it was in Switzerland's interest, the federal departments and offices responsible for international cooperation have been giving greater priority to addressing the long-term causes of migration and creating better prospects for refugees in their countries of origin.

The economic environment, however, remained somewhat disappointing in 2016 with slow or no economic growth in the global economy. The growth rate in global per capita incomes more than halved between 2010 and 2016, while the gap between rich and poor widened in many countries. These factors had a negative impact on productivity, trade, employment and innovation, and Switzerland's partner countries were particularly affected by this.

The new Dispatch on Switzerland's International Cooperation 2017–2020, which the Federal Council and Parliament adopted last year, aims to help reverse this trend. The dispatch is geared towards the 2030 Agenda for Sustainable Development and aims to reduce poverty and global risks while promoting peace and human rights. The dispatch is above all an expression of the solidarity of the people of Switzerland with the poor and needy of this world.

In this context, we nevertheless draw your attention to the cuts amounting to CHF 175 million that Swiss international cooperation is obliged to make in compliance with the decision to apply a break on debt in 2016. Several programmes have already had to be downsized as we will illustrate in a number of short examples in the introductory chapter. Further cuts are to follow in the coming years.

In spite of this challenging environment, however, Swiss international cooperation produced many good results in 2016: it provided urgently needed ambulances to the Syrian Arab Red Crescent; it helped provide the people of Somalia with better basic healthcare; it provided vocational education and training to refugees and displaced people in one of the world's biggest refugee camps, in northern Kenya; and it helped to improve the management of Peru's public finances and therefore boost economic growth in that country. You can find out how Switzerland, through further innovative approaches to its programmes, has worked for people both in its partner countries and at the multilateral level for a world without poverty and in peace, for sustainable development.

We hope you will find this report interesting and informative.

M.-G.Ineichen-Fleisch Manuel Sager

HIGHLIGHTS

A LONG-TERM COMMITMENT TO REFUGEES AND DISPLACED PERSONS

The number of people forced to flee their homes worldwide topped 65 million in 2016. Many of these people have been on the move for years or are stuck in refugee camps. Switzerland's approach in the Middle East and in the Horn of Africa combines the provision of emergency aid and the creation of long-term prospects. (p. 8)

INNOVATIVE SOCIAL ENTREPRENEURSHIP SOLUTIONS

Poverty and profound inequalities are common in many parts of Latin America and the Caribbean. In order to identify innovative solutions to social and environmental problems, Switzerland supports social entrepreneurship. (p. 14)

GROWTH IN PERU – ALSO THANKS TO REFORMS OF PUBLIC FINANCES

To reduce poverty, Switzerland focuses on sustainable economic growth in its international cooperation. As the example of Peru shows, solid and well-managed public finances are just as much a part of this as a growth-friendly environment. (p. 26)

KEY SECTORS FOR JOBS

The recent economic crisis has had a serious impact on the labour market in Serbia, particularly for young people. Switzerland supports economic sectors with high growth potential in a bid to create jobs. (p. 32)

MIGRATION AND DEVELOPMENT – A STRATEGIC LINK

Millions of people leave their homes in search of safety, employment and a better future. Switzerland supports efforts to harness migration as a way of promoting development and to alleviate migratory pressure by creating prospects locally. (p. 38)

SWITZERLAND SETS NEW PRIORITIES IN THE DISPATCH 2017–2020

2016 was a year shaped by crisis and conflict, which presented major challenges to the international community. The new Dispatch 2017–2020 gives Switzerland the means to continue to make an effective and sustainable contribution.

Switzerland and the international community faced a turbulent global environment in 2016. Just a year after the UN's 2030 Agenda was adopted, there was growing critical and in some cases populist sentiment, which increasingly called into question the liberal world order and the multilateral system of cooperation. Many countries saw a rise in nationalism. Movements that rebelled against open borders and open societies gained more political influence in 2016. An increasing number of countries appeared to become more inward-looking, shifting their focus back to domestic policy interests.

The reasons for this are many and varied, but in particular include long-term weak economic growth, rising inequality in society and a growing sense of precariousness among the population. Ongoing conflicts, such as those in Syria and the Middle East, Ukraine and the Horn of Africa, as well as geopolitical tensions, created widespread economic and political insecurity in 2016.

For many, it became apparent for the first time that the willingness of the international community to cooperate was seriously at risk – therefore also jeopardising joint efforts to develop sustainable solutions to combat poverty, crises and conflicts. With its Dispatch 2017–2020, Switzerland reaffirms its commitment to international cooperation to contribute to solutions and sends out a clear signal against isolationism.

Fragile contexts: a long-term commitment

If the trends of 2016 continue, it is the world's poorest who will suffer most. An increasing number of these people already live in countries where government structures are largely lacking or weakened due to internal conflicts. The focus of Switzerland's international cooperation is therefore on fighting poverty in such fragile contexts. The particularly tough challenges involved require a strategy and innovative approaches that link Switzerland's humanitarian commitment even better and more effectively with its development cooperation and peacebuilding efforts.

This aspiration also underpins the new Dispatch on Switzerland's International Cooperation 2017–2020. Following lively debates in the National Council and Council of States, Parliament adopted the new dispatch in autumn 2016. This also marked the start of the implementation phase. For the first time, the Human Security Division (HSD) of the Federal Department of Foreign Affairs (FDFA) is involved alongside the Swiss Agency for Development and Cooperation (SDC) and the Swiss Secretariat for Economic Affairs (SECO). With the Dispatch 2017–2020, Switzerland is demonstrating a clear commitment for the next four years: "For a world without poverty and in peace, for sustainable development".

Five priorities for a better future

In the Dispatch 2017–2020, the top priority of Switzerland's international cooperation remains the fight against poverty. The Dispatch sets out five strategic priorities, which reflect the current development policy challenges on the one hand, and which are designed to further emphasise Switzerland's core competencies in international cooperation on the other.

Switzerland therefore continues to focus on humanitarian aid, in order to save lives and protect people affected by crises and disasters, with a particular emphasis on the over 65 million refugees and internally displaced people worldwide. At the same time, it is committed to conflict resolution, direct mediation and peacebuilding, and is increasing investment in these areas by around CHF 120 million.

FINANCIAL CUTS JEOPARDISE SWISS INTERNATIONAL COOPERATION OBJECTIVES

Cutbacks to Swiss international cooperation are affecting strategically important programmes and objectives.

In order to comply with the debt brake, the Federal Council decided to reduce the International Cooperation budget by CHF 175 million in 2016. This resulted in cutbacks to numerous programmes that are important to Switzerland's foreign policy objectives. For example, SDC Humanitarian Aid had to reduce its contributions to the Internationa Committee of the Red Cross and for rebuilding schools and health centres. In Bolivia an SDC water management programme supported 12,000 fewer families than planned. In Armenia, where more than half of the population is employed in agriculture, planned vocational education and training courses could not be realised.

The Federal Council plans further cuts in the coming years: the SDC and SECO have to be prepared for a total reduction in the IC budget of CHF 450 million between 2018 and 2020. The Dispatch 2017–2020 will therefore be underfunded.

As a result, the SDC will discontinue a programme in one of its priority countries. Numerous bilateral and regional programmes in Latin America, Africa and Asia, as well as Cooperation with Eastern Europe and Humanitarian Aid, will have to be cut back. Emergency aid is exempt from the cuts. Swiss contributions to multilateral organisations are set to be slashed: at 48%, these contributions make up the bulk of the SDC's budget cuts. In terms of SECO, the cuts affect both bilateral cooperation in the South and East as well as multilateral cooperation.

Switzerland's involvement in fragile contexts will be further stepped up in future. This applies in particular to Africa and the Middle East, where tensions can quickly escalate into new conflicts, forcing people to flee. In future, 55 per cent of international cooperation resources will therefore be deployed in the Middle East, North Africa and sub-Saharan Africa.

The SDC, SECO and the HSD will work together to reduce poverty and inequality. The aim is to open up new prospects, particularly for young people and women. These groups in particular should benefit more from economic growth, both through the creation of more and better jobs, and through the expansion of vocational training programmes. To this end, Switzerland focuses on fostering strong links between basic education and vocational skills development in the interests of lifelong learning.

The private sector has an important role to play in promoting and achieving sustainable development. This is why partnerships of the SDC and SECO with the private sector are being further strengthened. One of the SDC's plans is therefore to double the number of partnerships with Swiss firms from 30 currently by 2020.

Efforts to tackle global challenges, such as climate change, water scarcity, health, food security, financial and economic crises and migration, remain pivotal for Switzerland. The 2030 Agenda for Sustainable Development provides an important frame of reference in these areas, too. It comprises 17 Sustainable Development Goals (SDGs), which take equal account of social, economic and environmental aspects. Through the Dispatch 2017–2020, Switzerland is delivering on its promise of achieving the SDGs in collaboration with its partners.

Increased commitment in the area of migration

When adopting the Dispatch, Parliament ruled that international cooperation should be better linked to Switzerland's migration policy. This is intended to prevent the human tragedies that befell so many refugees and asylum seekers in 2016. In future, international cooperation and migration policy is to be connected where this is of mutual interest to Switzerland and its partner countries and where refugees themselves can be protected.

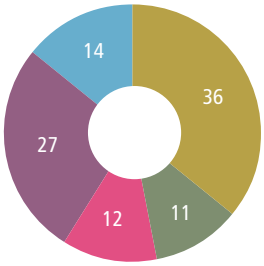
Geographically speaking, this means greater involvement in the countries of origin of refugees and migrants, particularly in the Middle East and Africa. In thematic terms, the SDC, SECO and the HSD will focus their efforts on the root causes of migration. By means of vocational training, among other things, efforts will be made to offer prospects to young people in particular and to promote sustainable development. Because without sustainable development, there can be no peace, and without peace, there can be no sustainable development, but instead forced migration.

Drawing on lessons learned

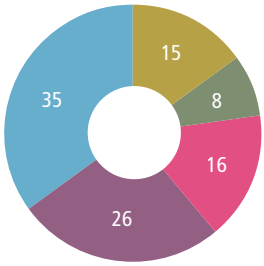
Gauging the effectiveness and assessing the impact of international cooperation efforts have been among Switzerland's key priorities for some years. During the Dispatch 2017–2020 period, they are set to become even more important. This was another concern of Parliament when it adopted the dispatch in autumn 2016. Impact assessments will be further strengthened by setting objectives using relevant reference indicators.

International cooperation often takes place in difficult contexts. Systematic and comprehensive evaluation and impact assessment are essential, even in these circumstances, as they allow Switzerland and its partners to identify partial successes and failures and to take corrective action where necessary. This enables the SDC, SECO and the HSD not only to increase the credibility of their work, but also to draw on lessons learned to perform better in the years ahead and in the most difficult contexts, and to continue their efforts to build a fairer and more peaceful world.

SDC BILATERAL GEOGRAPHICAL BREAKDOWN 2016[1] (IN %)



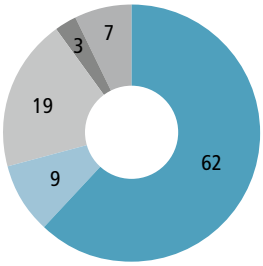
SECO BILATERAL GEOGRAPHICAL BREAKDOWN 2016[1] (IN %)



- Sub-Saharan Africa
- North Africa and the Middle East
- Latin America
- Asia
- Eastern Europe and the CIS

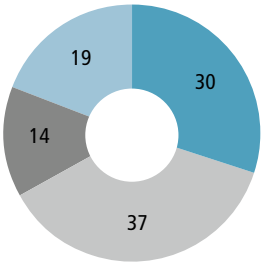
1 Excl. geographically unclassified contributions and contributions to EU enlargement

SWISS OFFICIAL DEVELOPMENT ASSISTANCE (ODA) 2016 (IN %)



- SDC
- SECO
- Asylum seekers in Switzerland
- Peace and security (HSD/DDPS)
- Other

SWISS MULTILATERAL ODA 2016 (IN %)



- United Nations organisations
- International Development Association (IDA)
- International Financial Institutions (excl. IDA)
- Other international organisations

After attending training provided by the SDC's 'Skills for Life' programme, these young women opened their own sewing workshop. 'Skills for Life' teaches vocational skills to refugees and residents of Kakuma in Kenya to enable them to work and earn a living. In South Sudan a civil war broke out in 2013, two years after it gained independence: more than one million inhabitants have already fled the country, around 50,000 of whom have ended up in Kakuma in the last few years. The UN Refugee Agency (UNHCR) manages a huge refugee camp in Kenya: some 180,000 people live there, more than half of whom are from South Sudan.

A LONG-TERM COMMITMENT TO REFUGEES AND DISPLACED PERSONS

The number of people forced to flee their homes worldwide topped 65 million in 2016. Many of these people have been on the move for years or are stuck in refugee camps. Switzerland's approach in the Middle East and in the Horn of Africa combines the provision of emergency aid and the creation of long-term prospects.

"No one puts their children in a boat unless the water is safer than the land". This quote by young Somali poet Warsan Shire bears witness to the fate of the over 65 million people who are displaced due to wars, conflicts and natural disasters. Some two-thirds of these displaced people still live in their home countries. They do not have the financial means or the freedom to undertake a long journey and are busy just surviving day to day.

Of the 21 million registered refugees who have crossed a national border, more than half are from one of three countries: Syria, Afghanistan and Somalia. The most saddening statistics relate to Syria. This is why the humanitarian crisis in and around that country was also the focus of Switzerland's humanitarian efforts in 2016. Receiving over CHF 250 million since 2011, it is the SDC's most extensive humanitarian operation. These funds have been used to support the International Committee of the Red Cross (ICRC), UN humanitarian organisations and international NGOs. Besides financial support, the SDC also provided experts from the Swiss Humanitarian Aid Unit (SHA). In addition, the SDC carried out its own projects: in July, the Delegate for Humanitarian Aid donated twelve new ambulances to the Syrian Arab Red Crescent (SARC). The vehicles were urgently needed due to the destruction caused by the war, the attacks on hospitals and the huge numbers of casualties.

Although the armed conflict in Syria and the associated refugee crisis are dominating the headlines, the Horn of Africa has been an epicentre of major population displacements for many years. There are a total of 1.8 million refugees and 6.7 million internally displaced persons in Somalia, Kenya, Eritrea, Djibouti, Sudan and South Sudan. In Somalia alone, 1.1 million people are internally displaced. Political and geographical fragmentation, long-running violent conflicts and the threat of the Al-Shabaab militia make Somalia one of the world's most fragile countries.

The world's largest refugee camp houses Somali refugees and is located in Northern Kenya. With a population of some 340,000, over the past 25 years Dadaab has evolved to become a city the size of Zurich and Kenya's third largest. An entire generation has been born and grown up in Dadaab. The refugee camp now faces imminent closure. The Kenyan government feels compelled to take this step due to terrorist threats, a lack of security and environmental degradation.

Humanitarian aid and development cooperation in the Horn of Africa

The example of Dadaab shows that emergency aid for refugees and displaced persons alone is not a long-term solution. In addition to humanitarian aid, development activities are needed to reduce the root causes of migration and to integrate refugees and displaced persons in first countries of asylum. The SDC assumes an innovative leadership role in the Horn of Africa. Since summer 2016 it has been jointly leading the Informal Humanitarian Donor Group Somalia with Denmark and advocating a sustainable solution for long-term displaced persons. Two Swiss

Alfadil Abdallah was one of the first participants on the 'Skills for Life' training programme. He repairs PCs and mobile phones in his shop.

experts at the office of the UN Resident Coordinator for Somalia are actively working on the integrated approach.

«In addition to humanitarian aid, development activities are needed to reduce the root causes of migration and to integrate refugees and displaced persons in first countries of asylum.»

Where other international actors look away, the SDC takes action. For example, it is supporting the development of national primary healthcare provision in Somalia. At the same time, it brings the traditional humanitarian actors and development organisations to the table and, with the Red Cross and Red Crescent Movement, explores new ways of integrating Somalia's national healthcare system, which has been funded by humanitarian aid for 25 years, into the country's national healthcare plans.

To foster the local integration of refugees and displaced people, the SDC also invests in basic education and vocational education and training. Housing 180,000 people, Kakuma in Northern Kenya is also one of the world's largest refugee camps. Around half of the refugees living there are from South Sudan. "We don't like it here, but there is nowhere else for us in this world". These are the words of a Kakuma resident, who sees little hope for the future for herself and her family. In order to counteract this trend and to offer young men and women prospects for a brighter future, the SDC launched the Skills for Life project in 2013. It allows refugees and locals to learn a trade from which they will later be able to make a living. Alfadil Abdallah is one of over 500 young people who received training through the project. The 28-year-old opened a repair shop for PCs and mobile phones with some friends in 2015. "It's going well and I'm grateful that I can build a future for myself," says Alfadil. The programme offers short apprenticeships in twelve trades, such as IT, hairdressing, tailoring and carpentry.

«To foster the local integration of refugees and displaced people, the SDC also invests in basic education and vocational education and training. »

Preventing the root causes of migration is part of Switzerland's commitment

Besides violent conflicts, migration in the Horn of Africa is also caused by drought and famine. These are often intensified by the recurrent weather phenomena El Niño and La Niña. Ethiopia, for example, was hit by one of the worst droughts in almost 50 years in 2016 as a result of El Niño. The failure of two successive rainy seasons left well over ten million people dependent on food aid.

Together with the Ethiopian government, the SDC is investing in the south of the country to renovate water points, reinforce local early warning systems, provide training to women and implement measures to preserve grazing land. "The idea is not only to help people in times of crisis, but to do what we can to prepare them for setbacks," explains local SDC employee Ababu Lemma Belay. In order to continue to secure development gains in years of crisis, the SDC has integrated an emergency fund in a long-term resilience programme for the first time.

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The project, which is being implemented by a Swiss NGO and the local government, will improve the management of natural water and land resources and secure long-term incomes and prospects.

Basic necessities are distributed according to the needs of the recipient population.

CRISIS PREVENTION AND EMERGENCY AID

- Humanitarian aid
- Work in fragile contexts
- Resilience to crises
- Respect for human rights

Switzerland provides assistance to help population groups affected by armed conflict, crises and natural disasters. This includes preventing and reducing the risks associated with natural disasters, reducing the causes of conflict, preventing violent conflict, providing humanitarian aid in emergency situations, conflict management, statebuilding and reconstruction as well as reform of the security sector and promoting greater respect for human rights.

Support is mainly short term; emergency aid is provided for as long as it is needed. Priorities are set for longer-term humanitarian commitments (reconstruction) and for development measures (employment, social services, statebuilding), which primarily aim to strengthen government structures and facilitate a transition to sustainable development at the local level.

COOPERATION ACROSS BORDERS

The absence of a recognised border between Kyrgyzstan and Tajikistan is a threat to the population's security and socioeconomic development.

In the Fergana Valley, both countries lay claim to territories and resources. It is an unstable situation which leads to some very violent clashes. Pending the end of negotiations on the final delineation of the borders, the SDC helps stabilise the situation by enabling local populations to engage in dialogue on the use of natural resources and infrastructures.

Supervisors from each community monitor sources of tension in order to prevent disputes. This is achieved through cross-border dialogue which builds cross-community trust and cooperation. There have already been some observable changes in behaviour: disagreements, which would often escalate into violent conflicts, are now the subject of discussions between the communities concerend. This new dynamic has also allowed the construction of a Tajik irrigation canal which crosses Kyrgyz territory.

The SDC encourages the populations to work together to achieve common goals. For example, tens of Kyrgyz and Tajik women have been trained to build solar ovens, which they subsequently do together. This training increases their families' well-being and forges links between communities.

SWISS EMERGENCY RELIEF IN HAITI

In autumn 2016 Hurricane Matthew swept through the Caribbean, leaving a trail of destruction in Haiti. Switzerland was one of the first countries to deliver vital aid on the ground.

On 4 October 2016, Hurricane Matthew battered southwestern Haiti with winds of over 250 kilometres an hour. It claimed the lives of more than 1,000 people and caused large-scale damage. As with the 2010 earthquake, almost 90 per cent of homes in the affected region were destroyed. Rainfall also resulted in torrential flooding and landslides.

On 7 October, shortly after the airport in Port-au-Prince re-opened, the SDC sent in a response team from the Swiss Humanitarian Aid Unit (SHA) to deliver life-saving emergency aid to the population.

The aid operation focused on providing access to drinking water and emergency accommodation. Within a very short time, the response team provided water treatment facilities and drinking water tanks for a total of 46,000 people. It also distributed plastic sheets and tin roofs to provide temporary accommodation to 11,000 homeless families. As part of the SDC's Cash for Work programme more than 2,000 Haitians received an income for helping with the clean-up operation.

The cost of the Swiss relief operation amounted to CHF 3.6 million, of which half was spent on contributions to the World Food Programme (WFP), the International Federation of the Red Cross and Red Crescent Societies (IFRC) and the Swiss Interchurch Aid Organisation (HEKS).

The SDC's work in the aftermath of the devastating earthquake in 2010 also proved to be effective. All the school buildings that were built by Swiss experts at the time withstood the hurricane.

SELECTED RESULTS 2016

➤ ***Asia:***

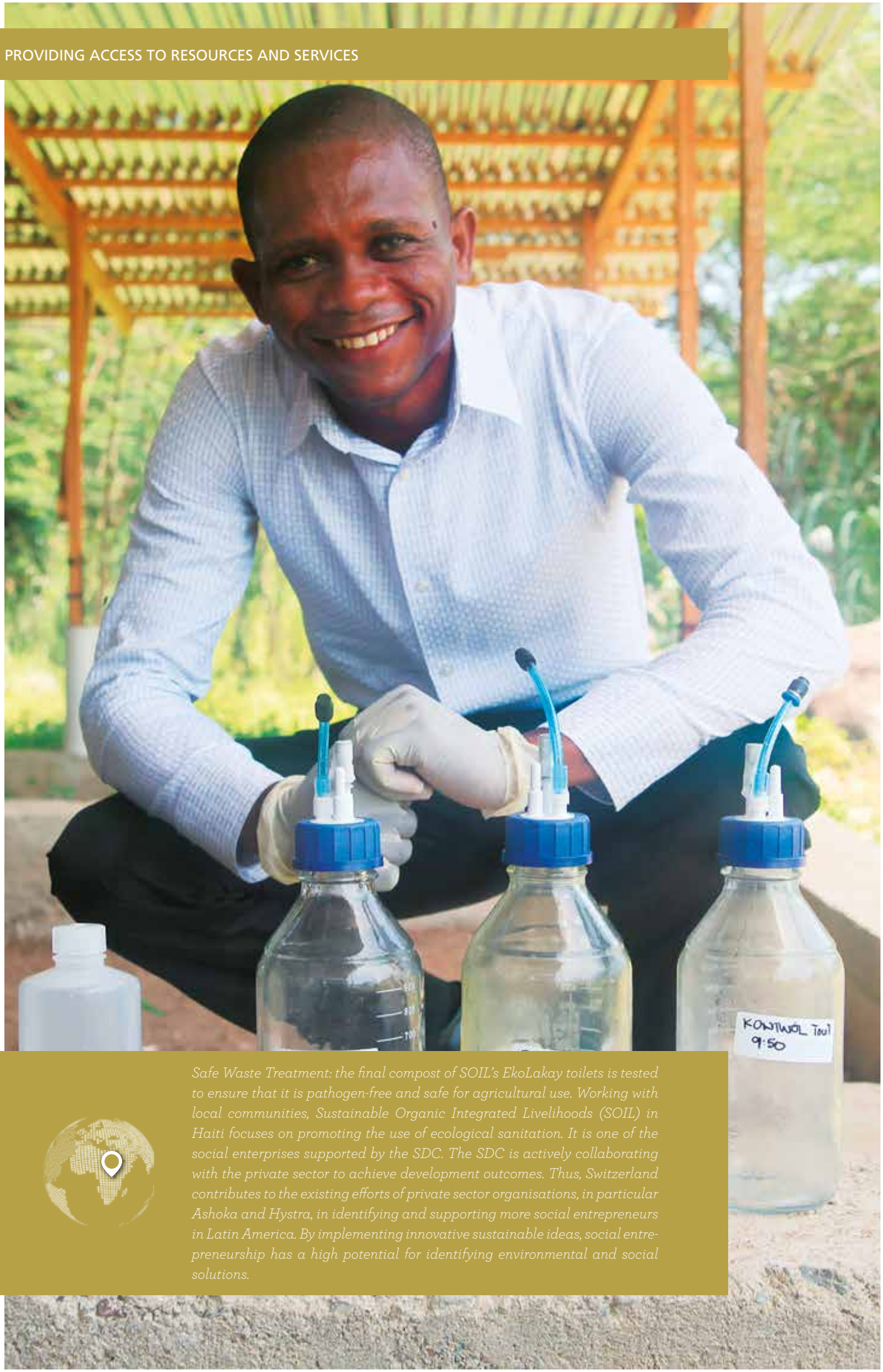
The **school rebuilding and renovation programme** following the devastating floods in Pakistan in 2010 was concluded in mid-2016. The 23 rebuilt schools in the Swat district and the 60 renovated schools in the Charsadda district provide a safe learning and teaching environment for 15,000 pupils and teachers. In addition to the financial contributions to the UN's World Food Programme (WFP) and Refugee Agency (UNHCR), as well as the ICRC, which were mainly used to support internally displaced populations and refugees from Afghanistan, the SDC/SHA provided funding for natural hazard prevention and supported the provincial authorities of KP (Khyber Pakhtunkhwa) and FATA (Federally Administered Tribal Areas) by providing expertise.

➤ ***Middle East:***

2016 saw the regular deployment of **water and sanitation specialists** from the Swiss Humanitarian Aid Unit to provide technical support to emergency missions in the context of protracted crises and multiannual programmes that aim to increase access to basic services. In Jordan and Lebanon, for example, there will be a sustainable water supply for more than 30,000 Syrian refugees in the Azraq camp, while more efficient governance in the Bekaa Valley should help secure better access to water and sanitation for more than 700,000 people.

➤ ***Eastern Europe:***

Since the beginning of 2015, Switzerland has been supplying **waterworks** in the Donetsk region of Ukraine, which provide drinking water to the majority of towns on both sides of the 'contact line' between government-controlled and non-government-controlled areas. In 2016 Switzerland was the only country to organise humanitarian convoys that crossed the 'contact line'. In May, 720 tonnes of water treatment aid supplies and medical equipment were delivered to both areas. This provided almost 4 million people with access to clean drinking water for a year.



Safe Waste Treatment: the final compost of SOIL's EkoLakay toilets is tested to ensure that it is pathogen-free and safe for agricultural use. Working with local communities, Sustainable Organic Integrated Livelihoods (SOIL) in Haiti focuses on promoting the use of ecological sanitation. It is one of the social enterprises supported by the SDC. The SDC is actively collaborating with the private sector to achieve development outcomes. Thus, Switzerland contributes to the existing efforts of private sector organisations, in particular Ashoka and Hystra, in identifying and supporting more social entrepreneurs in Latin America. By implementing innovative sustainable ideas, social entrepreneurship has a high potential for identifying environmental and social solutions.

INNOVATIVE SOCIAL ENTREPRENEURSHIP SOLUTIONS

Poverty and profound inequalities are common in many parts of Latin America and the Caribbean. In order to identify innovative solutions to social and environmental problems, Switzerland supports social entrepreneurship.

In a fragile country like Haiti, economic and political instability and natural hazards deter private economic actors from investing. Social entrepreneurs are therefore an innovative way of providing the population with access to basic goods and services. The nature and reduced scale of their operations, as well as their local networks, make them flexible and responsive. They can therefore play a key role in revitalising the economy.

Social entrepreneurs put the social and environmental impact at the heart of what they do and help solve the challenges of development using an entrepreneurial approach. In this way, they encourage other companies to copy and improve their ideas. They are niche players in the overall economy, but they are a growing community with a great deal of potential in terms of innovative solutions that can contribute to the achievement of the Sustainable Development Goals in the 2030 Agenda.

EkoLakay – the eco-toilet

In many developing countries, sanitation services are provided by private companies and are a luxury that is not accessible to the majority of the population. The technology used is highly water-intensive and often leads to pathogenic waste being spilled in deprived neighbourhoods and aquatic ecosystems. "In Haiti, more than 99% of organic human waste is not treated, which has devastating consequences for the environment and public health," explains Sasha Kramer, co-founder of Sustainable Organic Integrated Livelihoods (SOIL). Sasha Kramer is one of five young social entrepreneurs who benefit every year from the SDC's support in Latin America. Her company SOIL works to promote health and sustainable livelihoods through the use of eco-toilets in Haiti. Her main business focuses on the 'poop loop', a process that transforms human organic waste into compost. SOIL builds waterless toilets that are accessible to all. They even work in densely populated areas with poor infrastructure.

A social and environmental impact

SOIL's EkoLakay toilets are an innovative service, which creates new revenue sources throughout the process. For around USD 5 a month, a Haitian family can rent a toilet, which is built by local companies using local materials. "What I like about the EkoLakay service is that the waste is collected every week from my home, and they give me clean containers and dry material. It's great to take advantage of such a reliable service which protects my family, my community and the environment," says Jean Marie Noel, an EkoLakay customer in Port-au-Prince. Sasha Kramer adds that waste is transformed into compost which is sold to farmers or reforestation projects, generating revenues to support sanitation services.

Social entrepreneurs develop solutions based on their perceptions of local needs. "SOIL's vision is of a world where everyone has access to decent sanitation facilities and where human organic waste is no longer a public health issue, but rather an environmental solution. We believe that, in working to realise this vision, not only can we improve public health and soil fertility, but also

SOIL employees deliver an EkoLakay toilet and a fresh supply of cover material.

build livelihoods in the field of sanitation, thus making job creation the main result of providing such local services," explains Sasha Kramer. In order to realise this vision, Sasha had to partly revise her business model and improve her management. In ten years, her business has become a recognised organisation, which received donations from all over the world for the relief operations in the wake of Hurricane Matthew.

«Social entrepreneurs put the social and environmental impact at the heart of what they do and help solve the challenges of development using an entrepreneurial approach.»

A fitting partnership with Ashoka

In order to identify social entrepreneurs, diagnose needs and provide customised support, the SDC works with Ashoka, the world's largest network of social entrepreneurs. Ashoka works with potential donors and leaders from the social and private sectors. More than 3,000 Ashoka Fellows run social enterprises in 85 countries.

«In order to identify social entrepreneurs, diagnose needs and provide customised support, the SDC works with Ashoka, the world's largest network of social entrepreneurs.»

In order to receive a three-year grant from the SDC and to take advantage of support from Ashoka's partners (combining strategic advice, legal support and communication advice), social entrepreneurs like Sasha Kramer must fulfil rigorous selection criteria. The criteria include proof of the project's impact, a sustainable development strategy, a study on the transformation potential of a whole industry or sector, as well as personal traits, such as creativity, entrepreneurial skills and ethical commitment.

'The Poop Loop', a process that transforms human organic waste into compost.

A SOIL compost site employee loads buckets of sugar cane bagasse used to 'flush' EkoLakay toilets.

The SDC contributes to the Ashoka network's efforts by providing financial support and thematic proposals. This involvement has enabled the network to support 80 additional social entrepreneurs for four years in Latin America, with a particular focus on the SDC's partner countries and on products and services aimed at low-income households and vulnerable population groups. Although Sasha Kramer is receiving support at an early stage in her project, the programme assists social enterprises at various stages of their lifecycles, for example by facilitating access to additional financial resources.

PROVIDING ACCESS TO RESOURCES AND SERVICES

- Health
- Sustainable water use and sanitation
- Basic education and vocational training
- Sustainable use of land

The primary aim of improving access to resources and services is long-term sustainable poverty reduction. 'Resources' refers to the availability of shelter, sufficient food, clean water and job opportunities. 'Services' refers to a country's education and health systems.

Long-term cooperation is required in order to tackle poverty effectively. In the interests of effective and cost-efficient cooperation, Switzerland sets geographical priorities, and concentrates on selected priority countries and regions.

MEN AND BOYS JOIN THE FIGHT TO PREVENT VIOLENCE AGAINST WOMEN

Gender-based violence is not only a human rights violation. It is also an obstacle to sustainable development.

It is a shocking statistic: one in three women has experienced violence. This affects women all over the world and across all social classes. The SDC works to combat violence against women in a dozen – mostly fragile or conflict-torn – countries. It spends some CHF 10 million on these efforts every year. The SDC programmes also help women fight the impunity of perpetrators and achieve social and economic re-integration.

An important success factor in sustainable rehabilitation is the involvement of men and boys in violence prevention programmes. So, for example, in Burundi and Rwanda, affected couples who have undergone lengthy therapy and successfully broken cycles of violence within the family, are held up as positive role models. In Bolivia, Mongolia, Tajikistan and Bosnia and Herzegovina, young men confront chauvinistic, violent portrayals of masculinity and seek a new identity that is not misogynistic.

Worldwide, 125 countries have legislation in place to protect victims and punish perpetrators. The SDC supports its partner countries in implementing such laws. For example, in Congo and Afghanistan, our partners organise training courses for the police to teach them about their protective role. In addition, more female police officers are being recruited. The dialogue with local leaders and religious dignitaries is a key strategy in Eastern Congo, where national laws often carry little weight. Legal standards, protection and justice must be negotiated and harmonised with local traditions in order to effectively combat violence against women.

RESOLVING PASTORAL CONFLICTS

In Niger, Switzerland helps secure transhumance corridors in order to reduce conflicts between nomadic and sedentary populations.

Promoting economic development by improving the coexistence of sedentary farmers and nomadic herders is one of the priorities of the SDC's programme to support livestock farming in Niger, a country that mainly lives off the agro-pastoral sector. Transhumance (which concerns 70% of herds) leads to recurrent conflicts, which are sometimes deadly, and significant financial losses. This is caused by pressure on natural resources due to the expansion of cultivated land, strong demographic growth and climate change. Nomadic pastoralists are also victims of armed groups in the north of the country, which force them to flee with their herds.

For several years the SDC has been working to develop and secure grazing land, including in cross-border areas, in tandem with local populations and authorities. It supports consolidation of the rural code and implementation of the ordinance guaranteeing nomadic populations the right to mobility. These efforts have led to tangible results: 2,000 hectares of grazing land have been restored, 4,000 km of pathways have been designated and documented, over 100 wells have been cemented and land commissions are in place to manage and prevent disputes. These measures serve as a model for the whole of Africa.

SELECTED RESULTS 2016

➤ ***Latin America:***
In Peru, the **water pipeline** and customer cadastre in Paita and Talara was updated and modernised. In addition, the volumes of water produced and consumed were more systematically measured and analysed, and leaks were better identified and rectified. Customer communication was also improved. Thanks to these measures, waster losses were reduced by 19% in Paita and by 6% in Talara in 2015–2016. The volume of water billed to customers was also increased by 8% and 10% respectively during the same period.

➤ ***Africa:***
In Chad, a West African country that is increasingly affected by violence and extremism, there is at least a glimmer of hope in the field of **basic education**: almost 200,000 children, nearly half of whom are girls, were able to attend one of the some 800 primary schools supported by the SDC in 2016. That is an increase of 180% compared with 2015. These efforts went some way to reducing the country's illiteracy rate, although at over 70%, it is still one of the highest in the world.

➤ ***Africa:***
Thanks to SDC measures in various regions of Tanzania aimed at training **healthcare** staff to strengthen advisory services for expectant mothers, some 1.4 million pregnant women received more comprehensive healthcare by the end of 2016. Maternal mortality in the regions concerned has been demonstrably falling since 2012.

➤ ***Central Asia:***
In Tajikistan, over 13,000 people (72% women) have made use of the **free legal services** and services to victims of domestic violence available since 2013. For the first time, many poor people were able to claim benefits such as child allowances and pensions, enjoy rights such as property rights in divorce processes, and enrol their children in school.

PLANT DOCTOR: A CAREER OF THE FUTURE

Switzerland supports the training of plant doctors to combat crop losses linked to diseases and pests.

A new type of stand holder has appeared at markets in rural communities. Sitting at a table with a magnifying glass and photos of diseased vegetables and insect pests, plant doctors advise farmers on their crops. When doctors examine an atrophied root or a deformed fruit, they are able to provide farmers with precise information about the diseases and how to prevent and treat them.

«In many countries, this is the first time that smallholder farmers have had access to personalised advice locally.»

Plantwise, a programme led by CABI (Centre for Agriculture and Biosciences International) and supported by the SDC, is the driving force behind this new type of doctor. Plantwise is present in 34 developing countries and is affiliated with a decentralised health network consisting of local clinics. It trains rural advisors to become plant doctors, which helps them diagnose plant diseases and identify insect and animal pests. In many countries, this is the first time that smallholder farmers have had access to personalised advice locally.

For each intervention, the plant doctor collects data relating to the pests or diseases, which is fed into a global database that all members of the network can access. In this way, members can obtain essential information which enables them to respond rapidly to the spread of pests and diseases that affect the main crops and therefore help reduce crop loss. Plantwise also collaborates with national and international laboratories to offer additional diagnostic support.

«In the space of a few years, more than 5,000 plant doctors have been trained, dispensing advice to 4.5 million smallholder farmers.»

The programme has seen rapid growth. In 2011, a year after it was launched, 180 clinics were up and running, spread across 16 countries. Today, there are more than 1,800. In the span of a few years, more than 5,000 plant doctors have been trained, dispensing advice to 4.5 million smallholder farmers. In 2015, over 95% of the programme's beneficiaries were satisfied with the services offered and around 80% of them had implemented the advice they received and noted a significant increase in their crop harvests.

On 9 March 2016, the Plantwise programme was awarded the prestigious 2015 DAC Prize by the OECD. This prize aims to "promote the scaling-up of innovations that address major development gaps."

ORGANIC PRODUCTION IN THE TROPICS

Can organic farming contribute to food security in the tropics? A research project co-funded by Switzerland has produced promising initial results.

Can organic agriculture as opposed to conventional cultivation methods also benefit farmers in tropical regions? The Swiss Research Institute of Organic Agriculture is exploring this question together with research institutes from partner countries in Africa and with the support of the SDC.

The research has involved a comparison of the organic and conventional cultivation of maize and various vegetables in Kenya since 2007. The researchers not only consider crop quality and size, they also look at how the different cultivation systems impact soil fertility.

The initial results are promising. The yields of organically-grown maize – an important basic foodstuff for the region that can also be marketed – are comparable with conventional systems following the transition to organic methods. As the input costs for organic products are lower than for conventional products, the same yields generate higher revenues for farmers. If they are able to sell the organic maize for a higher price, the switch is even more profitable. Soil fertility also significantly improved under the organic system.

In addition to research activities, researchers are also working with the affected farmers to develop practical cultivation methods that are adapted to the local conditions, for example, by producing compost. These methods result in higher yields and even better soil fertility. They therefore also have a positive impact on food security.

These scientifically substantiated results lend weight to the argument that ecologically sustainable and organic cultivation systems should be better integrated in national and international agricultural policies.

A NEW START IN PICTURES: REBUILDING MALI

A photo exhibition allows the people of Mali to take stock of the state of their country – and gives them a renewed sense of hope.

In 2013, the SDC was one of the first development organisations to launch a rehabilitation programme in Mali with its 'Appui à la Relance Socio-Economique du Nord (ARSEN)' project. The project supported people in Youwarou, Niafunke and Timbuktu who had lost their livelihoods due to unrest in the country. Within the scope of the project, schools, public buildings and irrigation systems were rebuilt. The programme benefited some 30,000 people, including many displaced persons and refugees.

After the programme was implemented, some local photographers portrayed the Malian people in their own surroundings. The photos show positive changes and highlight the country's cultural identity, but also emphasise the continued difficulty of day-to-day life for many people.

For Malians who have not been able to visit the centre and north of the country for years for safety reasons, the pictures evoke strong emotions: "The photographers give us a glimpse into day-to-day lives that convey feelings of happiness. It's a very different take than most of the reports on the people living through this crisis," commented a visitor to the private viewing. The pictures tell the story of lives that are once again filled with colours and scents that reflect this new-found hope, and of a will not to fold their arms but to move forward together, to fight poverty and not to give in to fatalism.

The exhibition was designed by internationally renowned Malian art professor and gallery director Chab Touré. The travelling exhibition entitled 'La RELANCE en IMAGES' (The REVIVAL in PICTURES) toured around Mali for four months.

MEASURING AND IMPROVING EFFECTIVENESS: THE EXAMPLE OF NIGER

Thanks to the recommendations set out in the evaluation of its programme to promote education quality in Niger, the SDC was able to considerably improve the efficiency of its operations.

In order to achieve its objectives, Switzerland's international cooperation has put in place a set of control mechanisms that measure the effectiveness at each stage of the implementation process. The SDC's results management measures include internal and external evaluations that allow operations to be corrected on the ground and the scope of present and future projects to be increased.

«Launched in 2011, the SDC's programme to support education quality in Niger has been adapted in line with the results of the external evaluation conducted in 2014.»

Every year, the SDC carries out over 100 project evaluations relating to all its activities, with the support of external experts. One analysis revealed that 80–85% of SDC projects that had been assessed were satisfactory or very good. For the remaining 15–20%, the SDC was able to take corrective action, redefine activities or objectives, or even discontinue certain projects.

Launched in 2011, the SDC's programme to support education quality in Niger has been adapted in line with the results of the external evaluation conducted in 2014. The evaluation highlighted the project's strengths and weaknesses and identified potential for improvement. The programme, which is currently in phase II, aims to improve the quality of the education system in Niger. If the gross enrolment ratio in Niger does not improve, more than 80% of children will leave school without having acquired basic academic skills, particularly in Math and French. Thanks to the programme, 4,500 student teachers have been trained and 13,400 teachers have completed continuing education and training.

Involvement of all education actors

The evaluation demonstrated that support for teacher training alone – which was the priority of the project – was not sufficient to have a significant impact on pupils' learning. Consequently, the programme was modified to involve all education actors in a systemic approach to improve education quality. The programme now effectively includes 22 local authorities and some 300 decentralised school management committees, which directly involve decentralised structures and parents in school management and teacher monitoring. A contract is signed directly with local actors (regional offices, local authorities, teacher training colleges) to increase accountability.

«Thanks to the programme, 4,500 student teachers have been trained and 13,400 teachers have completed continuing education and training.»

Contribution to a common education fund

Another weakness identified during the effectiveness monitoring concerned inadequate involvement of the SDC in discussions on the direction of Niger's future education strategy. In order to support the government of Niger in its national policy more effectively, the SDC has been contributing to a common education quality fund in collaboration with the Global Partnership for Education and the French Development Agency since 2014. The SDC contributes CHF 5 million to this USD 100 million fund. This commitment positions Switzerland as a key actor: "Through our political dialogue, we are working to improve the quality of the education system in Niger and introduce educational alternatives that are applicable to the context," explains Chantal Nicod, head of the West Africa Division of the SDC.

Adapting to the security situation

The 2014 evaluation also highlighted the need to adapt the programme to the emergency situation in the Diffa region, in eastern Niger. Climate change and the presence of armed groups have led to food crises and major population displacements: in the Diffa region, thousands of refugee and displaced children do not attend school.

«The consideration of security imperatives therefore translated into a shift in the focus of the SDC's engagement towards an emergency programme in cooperation with Swiss Humanitarian Aid.»

The consideration of security imperatives therefore translated into a shift in the focus of the SDC's engagement towards an emergency programme in cooperation with Swiss Humanitarian Aid. The programme provides special support to host schools for displaced children and local education management structures. Mobile classrooms have been set up to provide children with safe access to school. The programme has enabled 10,000 displaced children to return to school.

The programme to promote education quality in Niger helps improve access to schooling for girls.

In the Diffa region, the programme provides special support for schools hosting displaced children.

SDC AND SECO PRIORITY COUNTRIES AND REGIONS 2016

SDC Priority countries and regions South		2016 Mil. CHF	2015 Mil. CHF	
Sub-Saharan Africa	Great Lakes[1]	34.0	32.2	1
	Southern Africa[2]	26.1	29.0	2
	Tanzania	26.1	26.3	3
	Horn of Africa[3]	23.4	21.7	4
	Mozambique	22.4	28.8	5
	Mali	22.0	22.0	6
	Niger	21.4	22.6	7
	Chad	21.0	18.8	8
	Benin	20.8	18.6	9
	Burkina Faso	20.2	21.3	10
North Africa and the Middle East	Northern Africa[4]	15.2	19.0	1
	Occupied Palestinian Territory	15.0	14.6	2
Latin America	Central America[5]	35.8	37.4	1
	Bolivia	21.3	29.4	2
	Cuba	13.7	9.3	3
	Haiti	7.1	6.3	4
Asia	Mekong[6]	68.7	65.5	1
	Nepal	40.9	38.7	2
	Hindu Kush[7]	35.8	38.9	3
	Bangladesh	27.3	30.9	4
	Mongolia	20.7	23.3	5

SECO Priority countries South		2016 Mil. CHF	2015 Mil. CHF	
Sub-Saharan Africa	Ghana	11.9	17.3	11
	South Africa	7.2	11.8	12
North Africa and the Middle East	Tunisia	7.9	13.3	3
	Egypt	3.3	7.8	4
Latin America	Peru	17.6	19.5	5
	Colombia	15.8	10.1	6
Asia	Vietnam	31.2	18.2	6
	Indonesia	23.8	16.6	7

SDC Humanitarian aid focus areas		2016 Mil. CHF	2015 Mil. CHF	
Sub-Saharan Africa	Horn of Africa[8]	20.1	28.4	A
	South Sudan	19.4	24.9	B
	Lake Chad[9]	19.0	13.9	C
	Great Lakes[10]	11.9	11.2	D
	Sudan	8.6	13.3	E
	Central African Republic	6.4	9.2	F
	Mali	6.1	6.9	G
North Africa and the Middle East	Middle East[11]	59.7	89.2	H
	Occupied Palestinian Territory	11.8	12.0	I
	Northern Africa[12]	11.8	14.4	J
	Yemen	9.2	10.9	K
Latin America	Colombia	11.1	11.3	L
	Haiti	10.8	8.5	M
Asia	Hindu Kush[7]	12.4	9.9	N
	Myanmar	12.3	13.1	O
	North Korea	11.5	9.4	P

Contribution to EU enlargement SDC/SECO	
Eastern Europe and the CIS	Poland
	Lithuania
	Hungary
	Romania
	Slovakia
	Czech Republic
	Bulgaria
	Latvia
	Estonia
	Cyprus
	Slovenia
	Malta

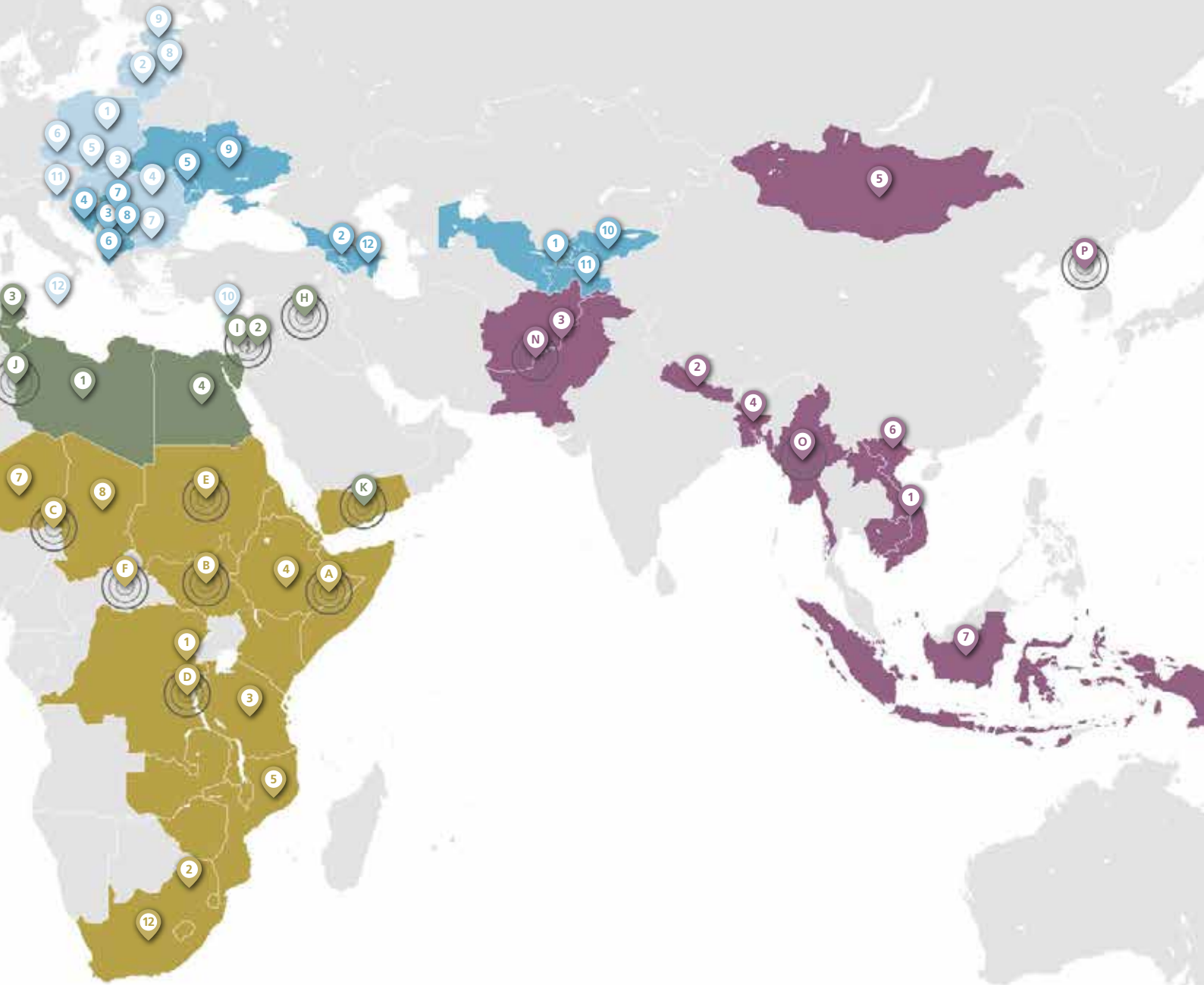
[1] Burundi, Congo (Democratic Republic), Rwanda
[2] Lesotho, Malawi, South Africa, Swaziland, Zambia, Zimbabwe
[3] Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, Yemen
[4] Egypt, Libya, Morocco, Tunisia
[5] Honduras, Nicaragua
[6] Cambodia, Laos, Myanmar, Viet Nam
[7] Afghanistan, Pakistan
[8] Djibouti, Ethiopia, Kenya, Somalia
[9] Cameroon, Chad, Niger, Nigeria
[10] Burundi, Congo (Democratic Republic)
[11] Iraq, Jordan, Lebanon, Syria, Turkey
[12] Algeria, Egypt, Libya, Morocco, Tunisia
[13] Kyrgyzstan, Tajikistan, Uzbekistan
[14] Armenia, Azerbaijan, Georgia

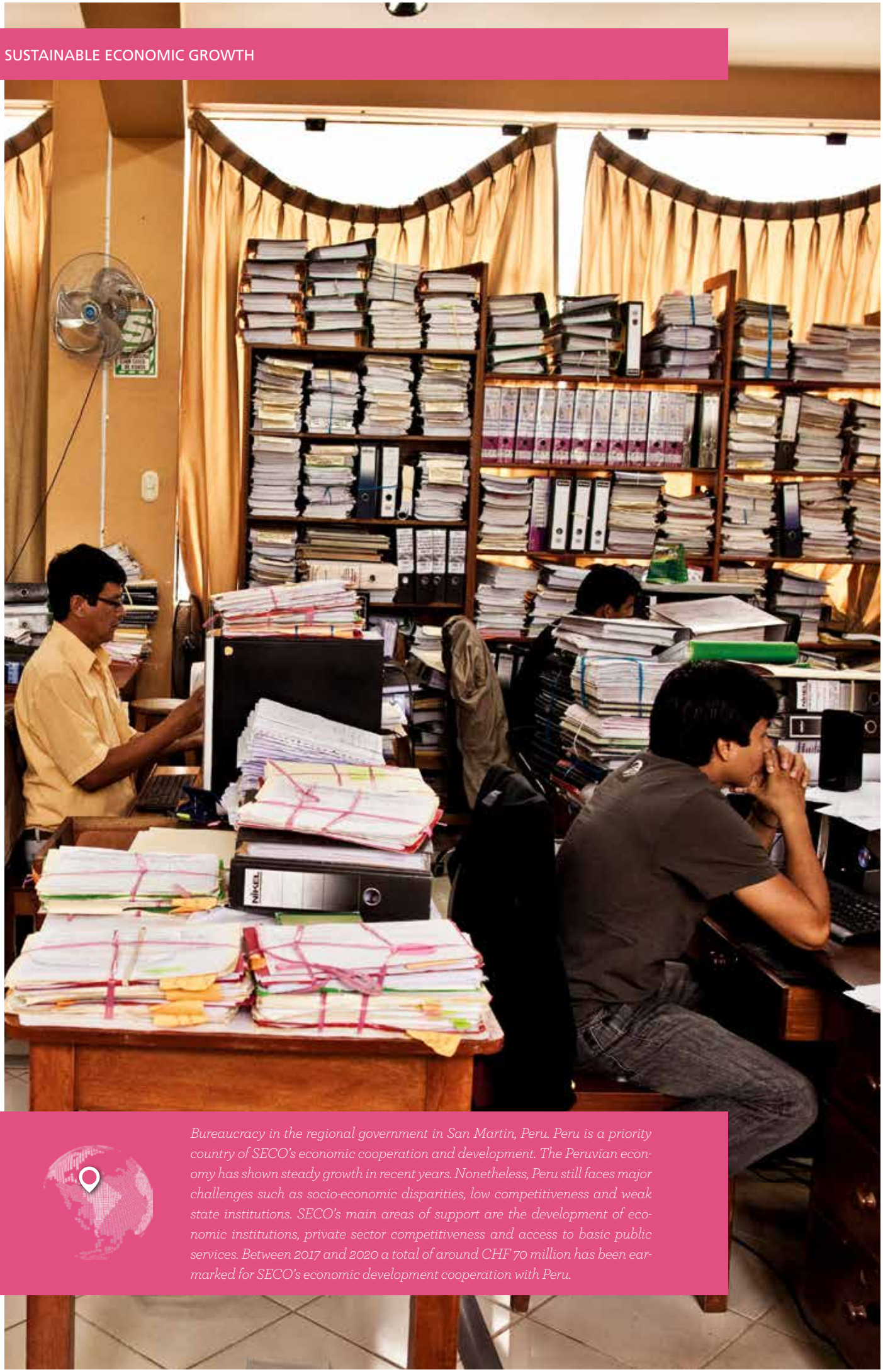
Humanitarian aid focus areas of the SDC

2016 Mil. CHF	2015 Mil. CHF	
87.4	73.6	1
17.1	9.5	2
13.2	22.6	3
12.9	18.3	4
12.8	20.1	5
12.7	13.8	6
5.9	5.4	7
3.8	5.2	8
3.2	6.0	9
1.5	0.4	10
0.2	1.9	11
–	0.3	12

SDC Priority countries and regions East		2016 Mil. CHF	2015 Mil. CHF	
Eastern Europe and the CIS	Central Asia[13]	30.8	34.0	1
	South Caucasus[14]	17.7	17.2	2
	Kosovo	17.0	14.7	3
	Bosnia and Herzegovina	13.8	13.9	4
	Moldova	13.0	12.8	5
	Albania	12.5	11.6	6
	Serbia	12.2	12.0	7
	Macedonia	10.7	10.9	8
	Ukraine	8.7	8.7	9

SECO Priority countries East		2016 Mil. CHF	2015 Mil. CHF	
Eastern Europe and the CIS	Ukraine	14.8	10.4	9
	Macedonia	10.7	4.9	8
	Serbia	10.0	3.6	7
	Kyrgyzstan	8.4	12.6	10
	Albania	7.8	8.9	6
	Bosnia and Herzegovina	7.1	7.8	4
	Tajikistan	5.3	14.0	11
	Kosovo	5.1	8.9	3
	Azerbaijan	2.7	1.1	12





Bureaucracy in the regional government in San Martin, Peru. Peru is a priority country of SECO's economic cooperation and development. The Peruvian economy has shown steady growth in recent years. Nonetheless, Peru still faces major challenges such as socio-economic disparities, low competitiveness and weak state institutions. SECO's main areas of support are the development of economic institutions, private sector competitiveness and access to basic public services. Between 2017 and 2020 a total of around CHF 70 million has been earmarked for SECO's economic development cooperation with Peru.

GROWTH IN PERU – ALSO THANKS TO REFORMS OF PUBLIC FINANCES

To reduce poverty, Switzerland focuses on sustainable economic growth in its international cooperation. As the example of Peru shows, solid and well-managed public finances are just as much a part of this as a growth-friendly environment.

Peru has recorded impressive economic growth for a number of years, largely driven by an increase in commodities trading. At the same time, the country is steadily developing a system to manage government finances efficiently and transparently, and is doing so with remarkable success. These factors have led to a significant improvement in Peru's financial scope for action. This benefits the population in remote areas, for example through the construction of new schools and health centres, investment in sewage facilities and waste disposal, and in the construction and maintenance of roads. Peru has therefore evolved from a developing country to a vibrant emerging market in the space of a few years. It is currently one of few countries in Latin America that regularly runs a state budget surplus.

How well are finances managed?

Experts agree that well-managed public finances are one of the key factors in the positive development of a country: revenue and spending policy should be sustainably structured; debt should be carefully managed; public procurement, accounting and reporting should be transparently disclosed and internal and external audits should be reliably organised.

SECO started supporting Peru on this long journey around ten years ago. At the time, the country launched a review of its public finance management and implemented the Public Expenditure and Financial Accountability (PEFA) analysis tool, which was co-designed by SECO. PEFA gauges the quality of public finance management and identifies weaknesses: how plausible and transparent is the state budget? Are the annual estimates based on clear political objectives? Is government spending carefully planned and controlled?

Sustainable reform programme delivers services for all

In 2011, Peru embarked on an extensive reform programme. Switzerland, the EU, the World Bank and the Inter-American Development Bank supported the initiative. The reforms aim to improve the fiscal discipline of the economy and the population, to make strategic use of available resources and to deliver government services that take better account of the actual needs of citizens and their businesses. As a result, the government is to be more accountable to the population: all government spending should be traceable at all times which should make government financial resources more predictable. This reinforces citizens' trust in their government – and their willingness to pay taxes.

From the centre to regions and local authorities

In parallel to the reforms of central government, SECO also supports projects in various parts of Peru. Besides the ministries in the capital, the state financial budget also includes 26 regional

governments and 1,834 local authorities. Involving all these actors in a reform programme is a huge challenge.

In concrete terms, the project is now identifying strengths and weaknesses in public finances – again using PEFA analyses – and initiating reform processes and action plans. The SECO programme trains regional actors to implement national legislation correctly. This applies both to financial auditing and to budgetary planning.

«The SECO programme trains regional actors to implement national legislation correctly.»

In addition, twelve universities received training on budget issues for the first time in 2016, and will pass this knowledge on to their students. This pioneering work will enhance the sustainability of the measures. As corruption in public administration is a widespread problem, particularly at local government level, the programme also includes a component that trains local judges and public prosecutors. If the initial trials are successful, these new instruments are to be rolled out across the country.

Ultimately the project is about ensuring sound public finances to fund effective public services: even in remote areas, children and breastfeeding mothers should be able to consult a doctor quickly and easily, and even in villages a long way from the capital, schoolchildren should not have to repeat their school year just because there are not enough teachers or classrooms.

Reforms not yet complete

In June 2016 Peruvians elected a new president, Pedro Pablo Kuczynski. His government intends to further boost investment in infrastructure and to advance Peru into the ranks of the world's 50 most competitive countries. The SECO programme is still running, but it is important to build the trust of the new government to ensure the programme's continuity. This will require a great deal of time and dialogue.

Thanks to the support of Switzerland and other donor organisations, Peru has professionalised its fiscal policy. The population is enjoying more and better services. However, the absolute connection between the reforms and the progress made is not in evidence everywhere. Many different factors

Meeting with officials from the regional government of La Libertad to revise an operational plan.

play a role. And a quarter of Peru's population of just under 30 million still lives in poverty. While sound public finances do not yet guarantee good public services, they are an important premise on which to provide and review such services. They are also a key factor in ensuring good economic framework conditions and governance. These ensure that countries like Peru are better able to tackle challenges, such as economic and financial crises and the consequences of climate change.

«Thanks to the support of Switzerland and other donor organisations, Peru has professionalised its fiscal policy. The population is enjoying more and better services.»

The programme in Peru is an example of how SECO promotes stable economic framework conditions that are central to sustainable growth in its partner countries. In addition to developing effective institutions and services, it supports measures that create more and better jobs and that strengthen trade, competitiveness and a low-emission economy.

A doctor examines a girl in Abancay, Peru. Sound public finances can fund efficient public services.

SUSTAINABLE ECONOMIC GROWTH

- Financial stability and good governance
- Sustainable growth in trade
- Development of the private sector and financial services
- Infrastructure and urban development

Sustained economic growth is essential for reducing poverty and inequality. The private sector is the main driver of economic growth. Integration in the global market gives developing countries access to sales markets and sources of investment.

Switzerland promotes sustainable and broad-based economic growth in its partner countries. It focuses on the financial management of public funds, framework conditions for private investments, the stability of the financial sector, public services funding, infrastructure, use of resources, trade liberalisation and the labour market.

A MORE TRANSPARENT COMMODITIES SECTOR

The Extractive Industries Transparency Initiative (EITI) promotes increased transparency in the commodities sector and aims to curb tax evasion.

Switzerland supports its partner countries in better mobilising and exploiting their own financial resources. In particular, this includes curbing tax evasion and tax avoidance in the commodities sector. One way of achieving this is the Extractive Industries Transparency Initiative (EITI), which is supported by SECO and the SDC. The initiative sets a global standard for transparency in the commodities sector, and is implemented by 50 countries. For example, it ensures that taxes and payments made by companies to governments are disclosed. The amounts are then compared with government revenue figures. This allows discrepancies to be identified and illegal outflows to be prevented.

Switzerland is represented on the EITI Board and supports the initiative in various ways, including through a direct financial contribution and through bilateral programmes to implement transparency standards in its priority countries. It also supports a regional training centre of the international NGO the Natural Resource Governance Institute (NRGI) at a university in Baku, Azerbaijan. The centre trains government officials, journalists, civil society advocates and private sector actors from countries in the region to request the right information in connection with the EITI and to interpret it.

ENVIRONMENTALLY-FRIENDLY CEMENT

Switzerland, India and Cuba are developing a type of cement that releases less CO_2 in production than conventional cement.

Cement production is responsible for roughly 5–8% of the global greenhouse gas emissions caused by human activity. On account of the huge infrastructure needs – in particular in emerging markets such as India, China and Brazil – demand for cement is set to double by 2050. This will involve a huge increase in climate-damaging greenhouse gas emissions.

The SDC is supporting the development of a new type of cement called LC3 (Limestone Calcined Clay Cement). The production of this cement emits up to 30 per cent less CO_2 than conventional cement. It could therefore play a significant role in the fight against climate change. LC3 was developed as part of a SDC-funded research partnership between the École Polytechnique Fédérale de Lausanne (EPFL) and universities in India and Cuba.

The long-term plan is to supply LC3 in cement markets with high levels of demand. The SDC and the project team are therefore working with representatives of the international cement industry. An important step involves getting the cement type approved by the competent authorities.

If the project is successful in convincing the cement industry of the benefits of this new type of cement, global greenhouse gas emissions could be sharply reduced. Specifically, this would mean a reduction of 400 million tonnes of CO_2 a year, which equates to one per cent of annual global emissions or eight times Switzerland's emissions.

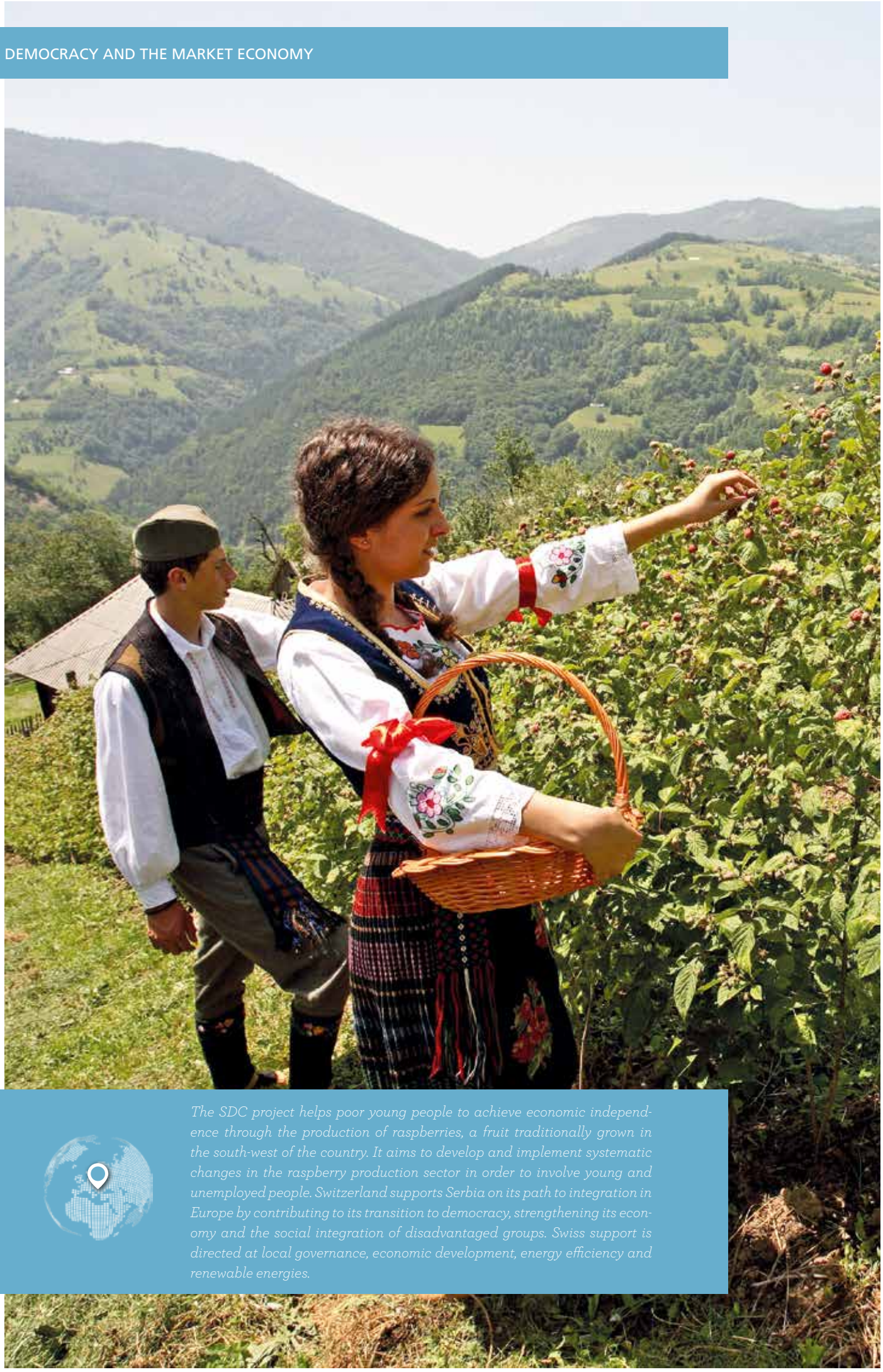
SELECTED RESULTS 2016

➤ ***Latin America:***
Within the scope of support under SECO's National Competitiveness Agenda 2014–2018 in Peru, the Secompetitivo programme helped create 68 **jobs** and safeguard 3,124. The majority of these jobs were in the cocoa, banana and quinoa value chains. The Secompetitivo programme provided beneficiaries with qualifications and technical support.

➤ ***Asia:***
In Vietnam, the time it takes to register a new business was reduced from five to three days in 2016. A total of 91,765 new businesses were registered during this period. The government considers this result a headline reform in the national administrative reform programme and its promotion of **e-governance**. The integration of legally binding data in the national business registry database has significantly increased overall transparency.

➤ ***Central Asia:***
In 10 years, Switzerland has supported **water** user and smallholder farmer associations over an area of more than 106,000 hectares in Uzbekistan, Tajikistan and Kyrgyzstan. Water losses in the main pipelines were reduced by half, from 25% to 13%. The water requirement per hectare was reduced by 50% in Tajikistan and by 18% in Uzbekistan. Crop productivity increased by more than 20% in the regions that received Swiss support compared with those that did not. Conflicts between farmers over access to water were also substantially reduced thanks to better organisation.

➤ ***Global:***
Switzerland is a contributor and board member of the Green Climate Fund (GCF), a global climate fund created to respond to climate change by investing in **low-emission and climate-resilient development** in developing countries. In 2016, the approved funding decisions amounted to USD 1.3 billion. The fund strives to enhance the involvement of the private sector in order to mobilise additional climate financing.



The SDC project helps poor young people to achieve economic independence through the production of raspberries, a fruit traditionally grown in the south-west of the country. It aims to develop and implement systematic changes in the raspberry production sector in order to involve young and unemployed people. Switzerland supports Serbia on its path to integration in Europe by contributing to its transition to democracy, strengthening its economy and the social integration of disadvantaged groups. Swiss support is directed at local governance, economic development, energy efficiency and renewable energies.

KEY SECTORS FOR JOBS

The recent economic crisis has had a serious impact on the labour market in Serbia, particularly for young people. Switzerland supports economic sectors with high growth potential in a bid to create jobs.

The 2008 economic crisis has had serious consequences for Serbia – a decline in GDP, an increase in public debt, rising unemployment and growing social inequality. It is now on a slow road to recovery, but despite encouraging signs of revival, unemployment remains high. Finding a job and a sufficient salary on which to live are still sizeable challenges for many people in rural regions in the south and south-west of the country, who often run the risk of falling into poverty. Young people and women are the hardest hit by this situation: in 2013, they accounted for more than half of the jobless population. In light of this, SECO and the SDC support projects that aim to create new employment and income prospects in strategic sectors of the Serbian economy.

Strengthening local businesses

Established businesses in Serbia do not exploit their growth potential and many start-ups go bankrupt a short time after they are set up. In Serbia, it is difficult for businesses to access the expertise, venture capital and the services they need to develop. To remedy this situation, SECO's entrepreneurship support programme helps create favourable local conditions for businesses. The programme's various measures aim to increase entrepreneurs' chances of success in the long term. To this end, SECO reinforces existing local support mechanisms and works with incubators, investors, mentors, the media and the Serbian diaspora. In 2016, the programme benefited 90 Serbian businesses.

Tourism – a growth sector

Tourism is a key sector of the Serbian economy, providing more than one in ten jobs. Winter destinations in the south-west of the country, which are mainly visited by domestic tourists, support the livelihoods of many businesses and employees. In a bid to further develop the region and to address its weaknesses, the SDC is supporting a project being implemented by a local agency in 25 municipalities across four under-developed districts. The project focuses on the promotion of new tourist locations and the creation or improvement of staff training courses. The aim is to equip staff with solid practical skills, which will enable them to provide better quality service. In addition, the school holiday dates have been adapted in order to attract families and tourists for longer and to extend the winter holiday season. This increase in the number of holidaymakers to the region has leveraged growth in tourism: during the 2016 winter season, 636 new jobs were created (6% more than the previous year) and employee salaries rose by nearly CHF 1.73 million (20% more per employee). SMEs in the tourism sector also recorded an increase in profit and therefore benefitted from the prolonged holiday season.

Supporting young people in the traditional products sector

The SDC is also involved in the field of traditional products, particularly food, with efforts to support dairy production, fruit growing and honey

production. The focus is on raspberry production, which is carried out over an area of 11,000 hectares (7% of the land used for fruit growing) in the west of the country. In Serbia, close to 100,000 tonnes of raspberries are exported every year (22% of exported fruit), making the country the world's biggest exporter of raspberries.

«The programme's various measures aim to increase entrepreneurs' chances of success in the long term.»

Despite this obvious potential, the raspberry sector has been jeopardised for the last few years by insufficient access to modern agricultural technologies, inadequate cooperation between small producers and buyers, and elderly producers who refuse to hand over the reins to the younger generation. Launching a new agricultural business is a difficult undertaking: raspberry production requires considerable knowledge in order to avoid errors that may prove fatal to the longevity of crops, which means buyers are only inclined to negotiate with experienced producers. A lack of funds also frequently poses a barrier to entry for young people.

In order to help new producers get started and to create jobs for young people, the project facilitates more direct collaboration between buyers and producers. In this way, buyers are able to provide the necessary funds and producers benefit from better product quality checks. Thanks to this project, 519 unemployed young people, around a quarter of whom are women, have obtained 100 hectares of raspberry orchards. A young raspberry grower talks about her experience: "I was unemployed. Our family had never grown raspberries before. I'm so happy to have this opportunity." She ends on an optimistic note: "Next year, I fully intend to double the number of plantings."

SWITZERLAND'S CONTRIBUTION TO THE ENLARGED EUROPEAN UNION

Through its contribution to the enlarged European Union (EU), Switzerland supports the 13 countries that joined the EU since 2004. An independent evaluation shows that the SDC and SECO have achieved good results in implementing the Swiss enlargement contribution. Overall, 79% of projects were rated good to very good, and no projects were rated as unsatisfactory. According to the report, the 300 or so projects make a positive contribution to economic and social development in the 13 partner countries. The objectives were achieved or even exceeded in the vast majority of projects. The evaluation recommends enhancing the efficiency of future efforts through increased thematic and geographical focus.

The full evaluation report is available at www.erweiterungsbeitrag.admin.ch.

The extension of the winter season increased visitor numbers and benefited the tourism sector.

DEMOCRACY AND THE MARKET ECONOMY

- Strengthening parliaments, democratisation and state reform
- Promoting local government
- Developing market economies

Switzerland supports countries of the South and East in their transition to democratic, social and constitutional systems with a market economy and citizen-oriented local governments. In promoting democracy Switzerland's focus is on strengthening parliaments, legal systems and good governance. Preventing and fighting corruption is of particular importance. Improving framework conditions for the private sector is another priority of Swiss transition cooperation.

SUPPORTING THE MERGING OF MUNICIPALITIES

In Armenia, the merging of municipalities is necessary to improve the quality of public services. However, this process is a source of concern for some sections of the population.

Armenia's territorial and administrative structure is very fragmented, with half of the country's 915 municipalities having fewer than 1,000 inhabitants. The size of the municipalities limits their ability to generate sufficient revenues, to provide and maintain public infrastructure and to support local economic and social development. To address these challenges, the Armenian government launched a major administrative and territorial reform to reduce the number of municipalities to 250. This merging process has given rise to fears of a loss of identity among the population, particularly in small communities. Switzerland is supporting the municipalities concerned by introducing an information and electronic data management system which facilitates improved public service provision. Thanks to this new system, 740,000 inhabitants (25% of the population) are enjoying more efficient and better-quality services. The SDC is also supporting the implementation of new government systems and programmes to develop the role of women in local government. With the help of Switzerland and other partners, 140 communities have so far merged to form 18 enlarged municipalities that bring together 165,000 inhabitants and benefit from better service provision. Despite their initial concerns, the populations concerned have reacted positively to the merging of their communities.

FASTER AND CLEANER TRANSPORT IN HO CHI MINH CITY

Ho Chi Minh City faces a growing traffic problem. Thanks to a bus line co-financed by Switzerland, the city is now exploring new avenues.

SECO is supporting a project in Ho Chi Minh City to build and operate a bus rapid transit system. The new service will benefit both users and residents. It should also be attractive to investors and be well integrated in the public transport network. In order to achieve these goals, the competent city institutions are being trained in and advised on sustainable traffic planning and urban development.

Like many cities in Asia, Ho Chi Minh City faces a growing traffic congestion problem. There is no reliable public transport network, which leads to more and more traffic jams and air that is increasingly polluted. Due to economic growth, private transport is likely to continue to grow. This is jeopardising the functioning and competitiveness of the entire city.

The new bus rapid transit line is part of the planned expansion of the public transport network in Ho Chi Minh City. It aims to promote the city's economic development and reduce environmental damage. The project is financed by SECO and the World Bank.

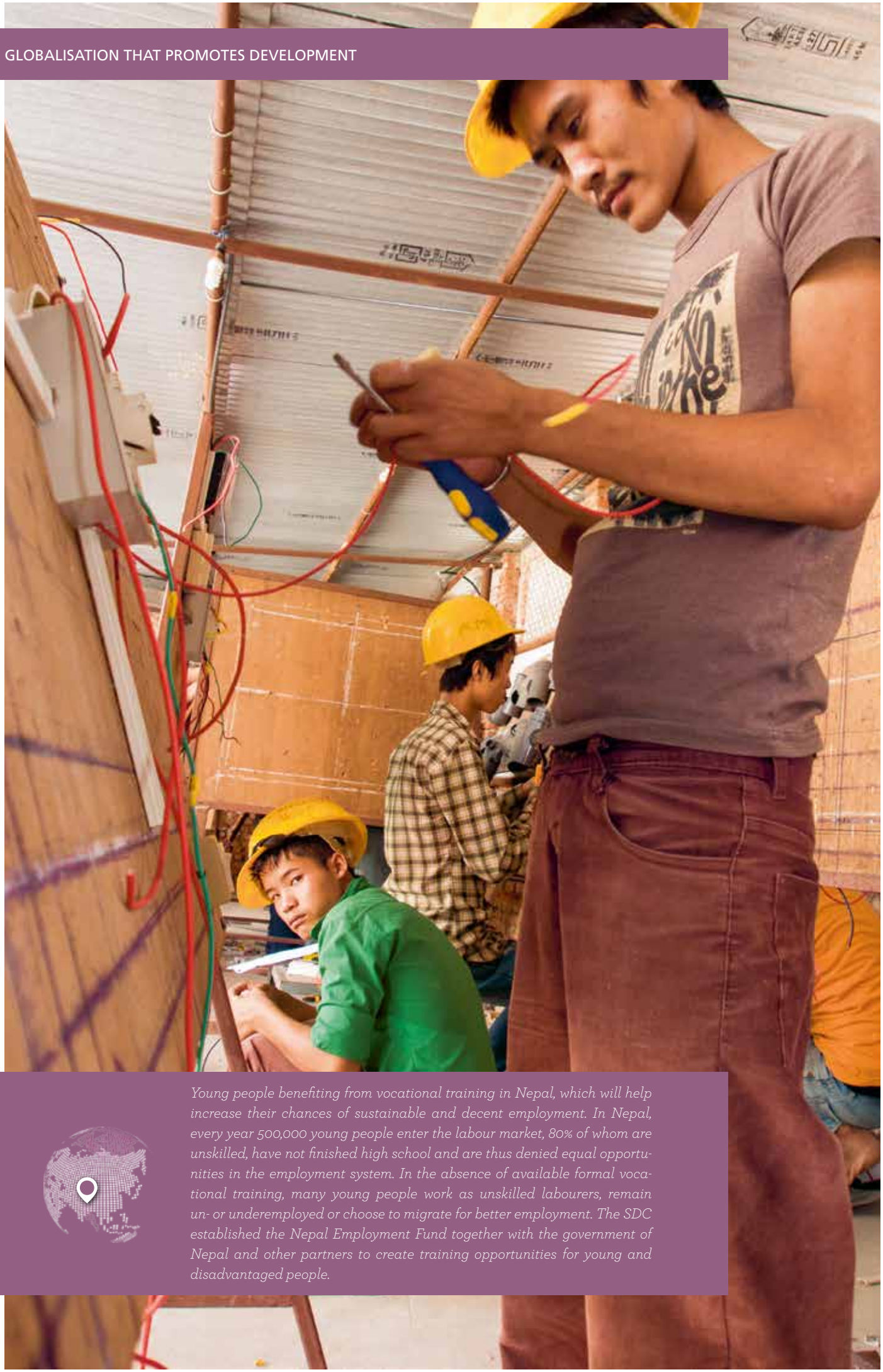
SELECTED RESULTS 2016

➤ ***Eastern Europe:***
Since 2012, the Swiss programme has been supporting the Bulgarian government in the implementation of the **National Roma Integration Strategy**. This strategy seeks to improve the living conditions of these vulnerable groups, in particular through better access to education and medical/social services, and through increased participation in public affairs. Thanks to the extension of the primary school in the Roma neighbourhood in the town of Burgas, 200 children can now attend nursery school and thereby increase their potential and improve school integration.

➤ ***Eastern Europe:***
The SDC's strategy of gearing the **vocational education and training system** more closely to the needs of potential employers and expanding job placement and advisory services has paid off in the Western Balkans. Some 16,000 young people were integrated in the still tight labour market in Bosnia and Herzegovina. These measures were designed and implemented in close cooperation with the competent authorities, public and private recruitment agencies, and companies.

➤ ***Middle East and North Africa:***
In the MENA region, SECO supports the development of **local value chains** and the trade of locally-manufactured specialities with protected designations of origin. In Tunisia between March 2015 and September 2016, a total of more than 1,500 people received training in fields such as the benefits of AOC certification, improving production and management, manufacturing specialities such as Harissa, jam and syrup, cultivating fig trees, and quality assurance. Morocco hosted the first competition featuring more than 350 local products, modelled on the Swiss competition of local products in Jura.

➤ ***Latin America:***
Of the 15,000 young people in Nicaragua (66% of whom were women) who benefitted from an SDC **vocational education and training programme** in 2015 and 2016, almost half found a job as a salaried employee or were self-employed within a year. They therefore earned an income that was above the statutory national minimum wage.



Young people benefiting from vocational training in Nepal, which will help increase their chances of sustainable and decent employment. In Nepal, every year 500,000 young people enter the labour market, 80% of whom are unskilled, have not finished high school and are thus denied equal opportunities in the employment system. In the absence of available formal vocational training, many young people work as unskilled labourers, remain un- or underemployed or choose to migrate for better employment. The SDC established the Nepal Employment Fund together with the government of Nepal and other partners to create training opportunities for young and disadvantaged people.

MIGRATION AND DEVELOPMENT – A STRATEGIC LINK

Millions of people leave their homes in search of safety, employment and a better future. Switzerland supports efforts to harness migration as a way of promoting development and to alleviate migratory pressure by creating prospects locally.

2016 was characterised by large refugee movements and migratory flows. For many people, the uncertainty involved in fleeing is a lesser evil than the dangers they are exposed to at home: armed conflict, violent extremism, human rights abuses, state fragility, poverty and a lack of prospects. These people often have no other choice but to leave their homes with the few possessions they are able to carry. According to United Nations estimates, more than half of refugees are children and young people, and over 85 per cent are currently living in developing and emerging countries.

The major waves of refugees and migrants pose a significant challenge to Switzerland, too, both in terms of migration and asylum policy and development policy. The Swiss Parliament therefore decided that in implementing the new Dispatch 2017–2020, international cooperation should be more closely linked up with Switzerland's migration interests. For the SDC, this means that it will be more active in migrants' countries of origin and will work in a more targeted way to tackle the root causes of migration. SECO will also continue its efforts in its partner countries to facilitate sustainable and inclusive growth, to create jobs and therefore to offer people the chance of a brighter future in their home countries.

Switzerland's engagement on the ground

In the area of migration, Switzerland's engagement in 2016 centred on preventing forced displacement, protecting local populations and promoting the economic and social autonomy of displaced people. Switzerland deployed various international cooperation instruments to counteract the causes of population displacement. Through a financial contribution to the UN Development Programme (UNDP), it supported projects to prevent conflicts and to tackle the causes of conflict in fragile contexts.

The SDC also funds partner organisations whose activities in crisis-hit regions include protecting refugees and displaced persons, above all the UN Refugee Agency (UNHCR). In many places, these partners were assisted by experts from the Swiss Humanitarian Aid Unit (SHA). The close involvement of local populations has consistently proven to be a key success factor to diffuse tensions and to help ensure social integration. For example, the SDC supported host families in first countries of asylum, who accommodated refugees in their own homes.

The ultimate goal of many refugees and displaced persons is to return home safely. But according to the UNHCR, the average amount of time that refugees are uprooted from their lives is 17 years. By more systematically linking humanitarian operations with development instruments, their social and economic independence is to be promoted. For example, last year Switzerland launched a new start-up and training programme in the water sector. The programme aims to create jobs for Syrian refugees in Jordan and Lebanon, train specialists and promote entrepreneurial solutions to water issues. In Sudan, the SDC has helped

build economic prospects for peasant farmers displaced by war. Such measures create opportunities locally and reduce the hopelessness that can lead to dangerous onward migration.

Switzerland's engagement at multilateral level

In September 2016, a UN Summit for Refugees and Migrants was held in New York. The resulting New York Declaration comprises a broad spectrum of measures to protect refugees, displaced persons and migrants, and to prevent forced migration. Switzerland played a key role in shaping the content of the declaration. However, the Summit is merely a milestone in a long process, which is set to result in a Global Compact on Migration by 2018. A second Global Compact is to be drawn up specifically on refugees. On account of the leading role Switzerland has played in the area of migration in recent years, in 2016 it was mandated together with Mexico to co-facilitate the process leading to the adoption of a new Global Compact on Migration.

«Such measures create opportunities locally and reduce the hopelessness that can lead to dangerous onward migration.»

Migration and implementation of the 2030 Agenda

Like the New York Declaration, the 2030 Agenda also underscores the important role migration plays in sustainable development. Some 150 million migrant workers worldwide play a crucial role. Through their labour, their innovation and their entrepreneurship, they are instrumental to economic progress in many societies. However, they are often exposed to unscrupulous labour brokers who violate their human and employment rights and charge them exorbitant costs just to take up a job abroad.

«Switzerland is therefore committed to ensuring better basic conditions for migrant workers.»

Switzerland is therefore committed to ensuring better basic conditions for migrant workers. For example, together with the International Organization for Migration (IOM) a certification process for employment agencies was developed in 2016 and is being launched in 2017. The certification is intended to help migrant workers differentiate between ethical and unscrupulous employment agencies. This could reduce the costs of migration and prevent human rights abuses. Through this project Switzerland is making a concrete contribution to the implementation of the 2030 Agenda and the relevant Sustainable Development Goals (SDGs): by better protecting the rights of migrant workers (SDG 8) and facilitating orderly, safe and regular migration (SDG 10).

The SDC programme in Sri Lanka aims to ensure decent work, protection and well-being for migrant workers and their families.

GLOBALISATION THAT PROMOTES DEVELOPMENT

- Protecting the environment and natural resources
- Renewable sources of energy and greater efficiency
- Efficient use of resources

International rules that promote development also allow small and poor countries to assert their rights. The international community's collective rules must be formulated in such a way that all countries understand their environmental rights and can be integrated into the global market in a lasting way.

Switzerland plays an active role in the UN environmental organisations, the World Bank, regional development banks and the UN Food and Agriculture Organisation (FAO).

But developing countries too must make a contribution and assume their obligations. These include a sustainable and efficient use of the environment and its resources, and the provision of non-fossil energy sources.

SWISS BLUETEC BRIDGE: A BRIDGE TO INNOVATION

The SDC supports Swiss start-ups and small and medium-sized enterprises (SMEs) that facilitate access to water for some of the world's poorest communities.

It is estimated that 2 billion people worldwide do not have access to clean water. In order to tackle the ambitious challenge set out in the sixth Sustainable Development Goal (SDG) – ensure access to clean water and sanitation for all by 2030 – the involvement of the private sector is vital. The SDC launched the Swiss Bluetec Bridge initiative in 2013, which grants interest-free loans to Swiss start-ups and SMEs developing innovative solutions in the water sector. The loans allow them to demonstrate the relevance of their prototypes and attract private investors. By bridging the gap that exists between research support and private funding, the Swiss Bluetec Bridge initiative aims to harness the potential of cutting-edge Swiss technology to benefit some of the world's poorest people. The businesses involved in the initiative are selected by a panel of experts: they have to offer innovative solutions in the area of water that are aimed at developing countries and will benefit low-income populations. Swiss Bluetec Bridge currently supports six start-ups and SMEs operating in six countries of the Global South. Three new businesses are set to be added to the list soon.

Swiss Fresh Water and Weconnex are already benefiting from the initiative: the loan granted by Swiss Bluetec Bridge has allowed them to develop and validate their business model. These two companies alone now provide drinking water to around 110,000 impoverished people living in rural areas of Senegal and Nepal, and have therefore significantly improved the state of health of the populations concerned.

A FUND FOR SUSTAINABLE ENTREPRENEURSHIP

A Swiss IT firm is using Swiss seed capital to set up a technology centre in Serbia – with a focus on sustainability.

In 2016, the SECO Start-up Fund granted a loan to an IT firm that is setting up a development site in Serbia. The company was founded by an entrepreneur from the Serbian diaspora in Switzerland. The firm intends to create 35 skilled jobs in Serbia in the medium term.

The SECO-financed fund provides loans to Swiss small and medium-sized enterprises (SMEs) which can be used to co-finance sustainable businesses in developing countries and emerging markets. The companies must pursue economic, social and ecological goals, create new jobs and therefore promote development.

SMEs are crucial to economic growth, stability and prosperity. They provide the most jobs, both in industrial nations and in developing economies. In addition, many SMEs are run by families. Experience shows that many of these families bear in mind the social context in their local communities besides the profitability of their businesses.

SELECTED RESULTS 2016

➤ ***Global:***
In 2016, Switzerland chaired the UNAIDS Board in Geneva and co-facilitated the High Level Meeting on HIV/AIDS in New York. The SDC played a major role in the adoption of the UNAIDS Strategy 2016–21 and the Political Declaration of the High Level Meeting. Both documents reflect Swiss priorities in the area of **sexual and reproductive health** and rights and gender equality.

➤ ***Global:***
Since 2012, in all its addresses to the Board and committees of the Global Fund to Fight AIDS, Tuberculosis and Malaria, the SDC has recommended that the Fund should not focus exclusively on a targeted response to these three epidemics, but should also work to sustainably strengthen the **health systems** of the countries concerned. This conviction, which is also echoed by other countries, has paid off as building resilient and sustainable systems for health is now a strategic objective in the Fund's strategy for the period 2017–2022. This will help boost the Fund's impact and ensure its efforts are sustainable.

➤ ***Global:***
Low productivity remains a major problem for Colombia and other partner countries, and hinders them from integrating in global markets. SECO has therefore supported the ILO SCORE (Sustaining Competitive and Responsible Enterprises) programme in Asia, Africa and Latin America for many years. The programme seeks to **increase productivity** through training and advice, and improve working conditions in small and medium-sized enterprises. In Colombia, the working conditions of over 3,300 employees in the clothing, textile, flower and agricultural sectors were improved in 2016. The number of companies involved rose by 70 SMEs in 2016 (taking the total to 166 companies since 2010). Gender equality was also promoted, with women now playing a leading role in business improvement teams and projects in 64% of companies.

NO DEVELOPMENT WITHOUT PEACE, NO PEACE WITHOUT DEVELOPMENT

Switzerland successfully campaigned for a Sustainable Development Goal on peace and justice in the 2030 Agenda. Now it's time to turn words into actions.

Prevention is better than cure: this truism is also reflected in Goal 16 of the 2030 Agenda for Sustainable Development. It states: "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels". Switzerland actively campaigned for this Goal during the 2030 Agenda negotiations. In the first year of implementation, Switzerland was already keen to turn words into actions: actively championing implementation of the 2030 Agenda and Goal 16 in particular.

For example, Federal Councillor Didier Burkhalter and administrator of the United Nations Development Programme (UNDP) Helen Clark signed a financing agreement for a total of some CHF 14 million on the margins of the World Humanitarian Summit in Istanbul in May 2016. This will allow the SDC to provide targeted support to the UNDP's strategic global programmes to prevent conflicts, strengthen the rule of law and promote the development of state institutions.

By signing this agreement, the two partners sent out a clear signal: actors from the fields of humanitarian aid, development cooperation and peacebuilding need to work together more closely to ensure aid can be provided in an efficient and forward-looking manner. Civil society and the private sector also have a key role to play in meeting the growing humanitarian needs. At the Summit, the Swiss delegation also called for greater respect for international humanitarian law.

If preventive measures fail and violent conflicts ensue, they often last for decades. This is why Switzerland also supports an innovative UNDP Trust Fund, which allows a rapid and flexible response to crises and natural disasters. For example, in the Borno State region of Nigeria, which has been the hardest hit by Boko Haram and military operations, humanitarian aid remains essential. It is very difficult to reach the population; even some local authorities were forced to flee. But the situation in Maiduguri, the capital of Borno State, has slightly improved and the authorities have returned.

Thanks to a contribution from the fund supported by Switzerland, the UNDP was able to step up its presence in Maiduguri in December 2016. It can now support the local authorities more effectively in strengthening the long-term resilience of the population. The aim is to ensure that internally displaced people quickly regain a foothold when they return home and are able to provide for their families themselves. In this way, long-term development cooperation actively complements humanitarian aid, and local coordination of emergency relief and development cooperation is improved. These efforts make a concrete contribution to implementation of Goal 16.

Switzerland is committed to promoting peace, stability, human rights and effective governance, based on the rule of law.

FUNDS FOR DEVELOPMENT PROJECTS

As part of the World Bank's IDA18 Replenishment in December 2016, donor countries pledged a record sum of 75 billion US dollars to the World Bank's International Development Association. Switzerland contributed CHF 645 million this time. This is CHF 107 million less than in the last funding cycle.

In particular, Switzerland would like to see the IDA improve the framework conditions for the private sector. In addition, it should take greater account of climate-related and environmental aspects when granting loans and it should be more active in fragile and conflict-hit countries. Finally, the FDFA believes that the IDA should ensure that the development projects it finances be implemented more effectively and efficiently.

Furthermore, a number of new financing options were introduced during this replenishment cycle. For example, the IDA can now borrow money on the capital markets itself. Like the World Bank, it boasts an AAA credit rating and can therefore borrow money on favourable terms to pass on to poorer countries.

AN ALLIANCE FOR MORE ENVIRONMENTAL AWARENESS IN THE FINANCIAL SECTOR

The planet supplies us with raw materials, energy and services. But they are often undervalued. Switzerland supports a partnership that is pushing for a rethink in the financial sector.

At first glance, it may seem like an unlikely partnership: the United Nations Environment Programme (UNEP), NGO the Global Canopy Programme, major bank UBS, eight other banks and SECO. But these institutions joined forces in 2012 to form the Natural Capital Finance Alliance (NCFA). Since then, they have been working to develop new instruments and methods in the financial sector that take account of environmental risks, and establish them as global standards.

The concept of natural capital is increasingly used in the financial sector. It is the idea that soil, air, water and flora and fauna are natural assets. They provide 'ecosystem services' without which humans would not survive. For example, trees produce the oxygen that we breathe; soil acts as a water filter; and forests provide wood as a raw material. The concept of natural capital attaches an economic value to natural assets and the flow of goods and services they yield. In this way, central but hitherto neglected environmental factors should be incorporated in economic decisions.

The financial sector's considerations regarding sustainability go beyond investment opportunities for environmentally conscious clients. The central question is how loans, bonds and other financial products jeopardise the stability of banks if they are issued with no regard for environmental risks. This concerns some very specific questions: for example, what interest rates should a brewery pay on a loan which it plans to use to invest in a production site where water may be scarce? Brewing beer requires a great deal of water. If, as a result of climate change, water were to become scarce and therefore more expensive, this could pose problems for the brewery's business model. For the lender, there is a greater risk of losing money. By contrast, if the brewery uses water-saving technologies, this could have a positive impact on interest rates.

For the most part, banks are not yet able to incorporate natural capital in their credit analyses as the data and methods are lacking. These are precisely the gaps the NCFA intends to close. The initiative was launched at the Rio+20 Conference on Sustainable Development in 2012. More than 40 CEOs from financial companies signed the associated declaration. The NCFA is also supported by various NGOs and government institutions. There is a special focus on South Africa, Colombia, Peru and Indonesia – all of which are SECO priority countries. SECO contributes over CHF 4 million to support the initiative.

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Swiss Agency for Development and Cooperation SDC

State Secretariat for Economic Affairs SECO

Official development assistance (ODA)

- Official development assistance (ODA) is defined at the international level as the total of all financial flows to developing countries and territories (currently 146) and to multilateral development institutions (i) from the official sector; (ii) with the promotion of economic development and welfare as its main objective; (iii) at concessional financial terms.
- To ensure the comparability and transparency of ODA contributions of its 30 members (29 countries and the European Union), the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) has established statistical reporting directives which define the activities and the contributions that are ODA-eligible. These directives are adapted and updated periodically. They are used as a reference for inclusion or not in ODA of expenditure of the past year (ex-post accounting). A comparison of the performance of donor countries is based on the percentage of net ODA in relation to gross national income (GNI).
- Swiss ODA contributions contain mainly the SDC and SECO (Economic Cooperation and Development Division) budgets, the two bodies which are charged with executing the Federal Act on International Development Cooperation and Humanitarian Aid and the Federal Act on Cooperation with Eastern European countries. Other federal offices as well as the cantons and some 200 communes also participate in Switzerland's international cooperation. In accordance with the DAC's reporting rules, since 2004 Switzerland has also declared as part of its ODA bilateral debt relief measures (within the framework of the Paris Club) and certain costs related to assistance for asylum seekers, refugees and temporarily admitted persons from developing countries during their first year in Switzerland.
- Not all annual SDC and SECO expenditures that appear in the state financial statements are automatically included in the ODA statistics. Some statistical adjustments are made in order to comply with international guidelines (disbursements for countries or organisations not on OECD/DAC list not included; different notification practice for specific multilateral contributions; see p. 15).
- Expenditure related to Switzerland's contribution to the enlargement of the European Union (EU) presented in the SDC and SECO expenditure section is not recorded as ODA.

Financing for development beyond ODA

- Non-ODA flows account for a significant proportion of development finance. In the case of Switzerland, these include mainly private capital flows at market terms (foreign direct investment, bank loans), export credits guaranteed by the federal government, and private donations by non-governmental organisations and foundations.

Symbols:

0.0 = amount less than CHF 50 000
– = nil
.. = not available
p = provisional figures
r = revised figures

More detailed information is available in the SDC's annual statistical publication "Switzerland's official development assistance" and on the SDC's and SECO's websites.
www.eda.admin.ch/deza/en/home/activities-projects/figures-statistics.html
www.seco-cooperation.admin.ch

Statistics as at 15 May 2017

Switzerland's official development assistance (ODA)

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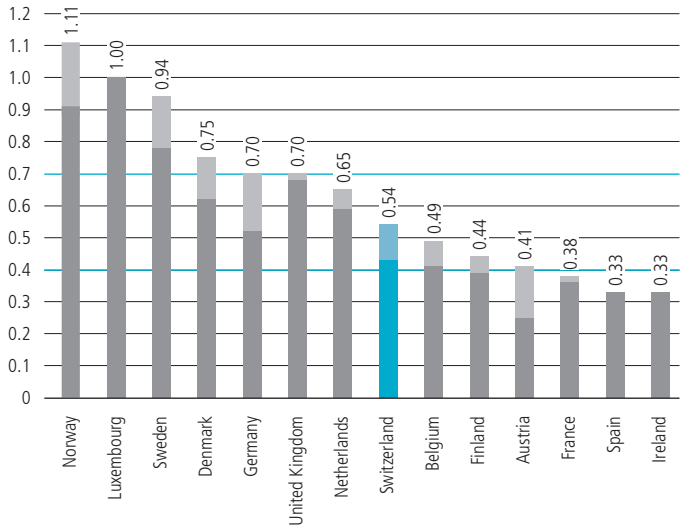
SDC/SECO Expenditure

PAGES 20–34

Graph 1

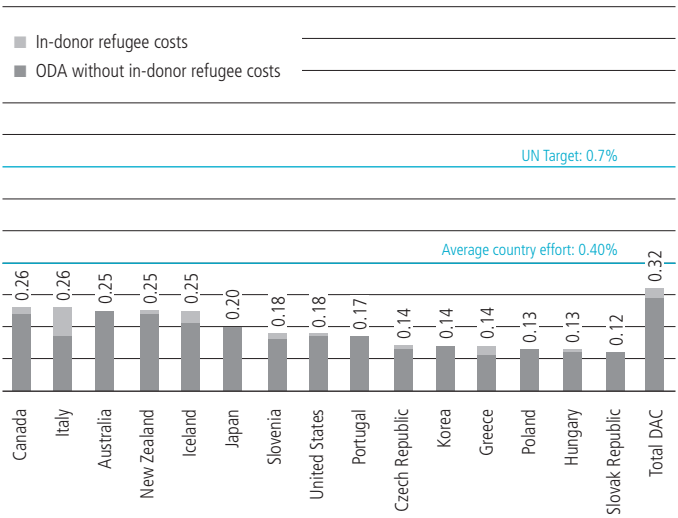
SWITZERLAND'S PERFORMANCE COMPARED WITH OTHER COUNTRIES 2016 (ODA AS % OF GNI)



Preliminary data for all countries of the Development Assistance Committee (DAC) published by OECD/DAC on 11th April 2017.

Net official development assistance (ODA) flows from member countries of the OECD's Development Assistance Committee (DAC) totalled USD 142.6 billion in 2016. Taking into account exchange rates and inflation, this represents an increase of 8.9% over 2015, partly owing to higher costs of hosting refugees in donor countries. Even excluding those costs, net ODA grew by 7.1% in real terms.

Switzerland's ODA increased by 4.2% in real terms compared to 2015, owing to the increase in asylum costs in the country, which are recorded as ODA according to DAC guidelines. The share of ODA excluding asylum costs declined as a result of the Confederation's savings measures which affected the framework credits for international cooperation.



The share of ODA of gross national income (GNI) was 0.54% in 2016 (0.43% excluding asylum costs). This puts Switzerland in 8th place in the DAC member state rankings. In terms of volume, the largest contributors were the United States, Germany, the United Kingdom, Japan and France. Switzerland was ranked 12th in absolute figures.

In 2016, Germany joined Denmark, Luxembourg, Norway, Sweden and the United Kingdom in the group of countries that meet the 0.7% target set by the United Nations. It should be noted that after excluding asylum costs only three countries (Luxembourg, Norway and Sweden) still achieved this objective.

Table 1

DEVELOPMENT OF SWISS OFFICIAL DEVELOPMENT ASSISTANCE (ODA) AND NGO DONATIONS 1960–2016 (IN CHF MILLION)

	1960	1970	1980	1990
ODA	**15.1**	**130.0**	**423.1**	**1 041.4**
Confederation	15.1	126.4	416.7	1 025.6
Cantons and communes [a]	..	3.6	6.4	15.8
Gross national income (GNI) [b]	37 066	92 570	177 270	347 228
ODA as % of GNI	**0.04%**	**0.14%**	**0.24%**	**0.30%**
ODA as % of expenditures by the Confederation	0.56%	1.63%	2.38%	3.29%
ODA as % of public spending [c]	0.23%	0.64%	0.90%	1.20%
Private NGO donations	**..**	**50.8**	**106.6**	**148.6**
Private NGO donations as % of GNI	..	0.05%	0.06%	0.04%

a Estimate for 2016.
b Figures of the Federal Statistical Office (FSO) based on the previous European system of accounts (ESA95) up to 2012. GNI figures for 2013 to 2015 (FSO, 25.08.2016) based on the new European system of accounts (ESA2010). For 2016, estimate from Federal Finance Adminstration (March 2017).
c General government outlays, after elimination of double counting (FSO/FFA).

Switzerland's ODA totalled CHF 3.51 billion in 2016, CHF 114 million more than in the previous year, bringing the ODA/GNI ratio to 0.54% (0.51% in 2015).

This growth is a direct result of the costs of receiving asylum seekers, which increased by CHF 202 million in 2016, even though the number of new asylum applications decreased compared to the previous year. This apparent contradiction can be explained by the period taken into account for the recording of asylum costs in accordance with DAC guidelines: costs charged to ODA are recorded for the twelve months following the entry of an asylum seeker on Swiss territory. A significant number of arrivals were registered in the second half of 2015, particularly from crisis-affected countries such as Syria and Iraq, as well as Eritrea and Afghanistan.

2000	2012	2013	2014	2015 [r]	2016 [p]
1 510.9	**2 861.4**	**2 965.2**	**3 222.6**	**3 396.3**	**3 509.8**
1 488.6	2 797.1	2 910.6	3 171.3	3 336.1	3 434.8
22.3	64.3	54.6	51.3	60.2	75.0
463 558	611 979	649 606	649 803	660 333	654 345
0.33%	**0.47%**	**0.46%**	**0.50%**	**0.51%**	**0.54%**
3.21%	4.63%	4.66%	5.04%	5.21%	5.30%
1.23%	1.82%	1.84%	1.98%	2.05%	2.10%
272.0	**443.1**	**466.1**	**516.8**	**519.5**	**..**
0.06%	0.07%	0.07%	0.08%	0.08%	..

Asylum-related costs recorded as ODA in Switzerland totalled CHF 681 million in 2016, representing almost one fifth of the total amount of ODA. They include the assistance packages paid by the State Secretariat for Migration (SEM) to the cantons (CHF 511 million), the occupation programmes and the costs of the Swiss Confederation's registration centres (CHF 152 million), and the costs borne by the cantons for the compulsory education of the children of asylum seekers (CHF 18 million). Activities carried out by the SEM within the framework of return assistance in developing countries are not included in this total. These activities cost an additional CHF 19 million in 2016.

As a result of savings measures which affected cooperation with the South and Eastern Europe as well as humanitarian aid, the SDC and SECO's international cooperation expenditure declined and represented just 71% of total ODA in 2016, compared with 77% in 2015. The share of ODA excluding asylum-related costs decreased accordingly from 0.44% in 2015 to 0.43% in 2016.

Table 2

SWISS OFFICIAL DEVELOPMENT ASSISTANCE (ODA) 2015–2016 (IN CHF MILLION)

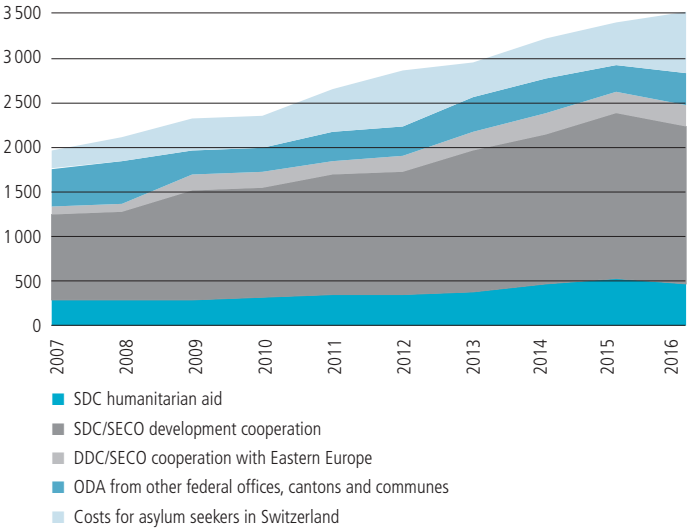
Confederation
Swiss Agency for Development and Cooperation (SDC)
Humanitarian aid
Development cooperation
Cooperation with Eastern Europe
State Secretariat for Economic Affairs (SECO)
Development cooperation
Cooperation with Eastern Europe
Loan repayments
Federal Department of Foreign Affairs (FDFA)
Conflict transformation and human rights
Other contributions
Federal Department of Economic Affairs, Education and Research (EAER)
Swiss Investment Fund for Emerging Markets (SIFEM)
Scholarships to foreign students in Switzerland
Other contributions
State Secretariat for Migration (SEM)
Assistance for asylum seekers in Switzerland
Return assistance
Federal Department of Defence, Civil Protection and Sports (DDPS)
Activities for promotion of peace and security
Supplies for humanitarian purposes
Federal Office for the Environment (FOEN)
of which: contributions to international organizations
Other federal offices
Cantons and communes [a]
Total ODA
ODA as % of gross national income (GNI)
ODA excl. asylum costs in Switzerland as % of gross national income (GNI)

a Estimate for 2016.

2016 P			2015 T		
Bilateral ODA	Multilateral ODA	Total ODA	Bilateral ODA	Multilateral ODA	Total ODA
2 666.6	768.2	3 434.8	2 566.0	770.1	3 336.1
1 508.2	**668.8**	**2 177.0**	**1 620.8**	**675.0**	**2 295.8**
424.6	56.2	480.8	481.2	57.9	539.1
929.1	611.5	1 540.6	976.6	615.9	1 592.6
154.6	1.1	155.6	162.9	1.3	164.2
306.1	**0.9**	**307.0**	**324.3**	**1.0**	**325.3**
227.3	0.4	227.7	247.3	0.4	247.7
82.2	0.5	82.7	80.4	0.6	81.0
-3.4	–	-3.4	-3.4	–	-3.4
108.9	**36.3**	**145.3**	**112.6**	**32.1**	**144.8**
73.6	20.6	94.2	77.7	18.6	96.3
35.3	15.8	51.1	34.9	13.5	48.4
47.1	**6.2**	**53.3**	**4.7**	**6.5**	**11.2**
38.0	–	38.0	-3.7	–	-3.7
6.7	–	6.7	6.8	–	6.8
2.4	6.2	8.6	1.6	6.5	8.1
682.1	–	**682.1**	**491.0**	–	**491.0**
663.6	–	663.6	473.1	–	473.1
18.5	–	18.5	17.8	–	17.8
0.5	–	**0.5**	**2.7**	–	**2.7**
0.5	–	0.5	1.3	–	1.3
–	–	–	1.4	–	1.4
8.4	**39.6**	**47.9**	**4.4**	**39.0**	**43.4**
7.2	39.6	46.8	3.3	39.0	42.3
5.3	**16.4**	**21.7**	**5.4**	**16.5**	**21.9**
75.0	–	75.0	60.2	–	60.2
2 741.6	768.2	3 509.8	2 626.2	770.1	3 396.3
		0.54%			**0.51%**
		0.43%			0.44%

Graph 2

SWISS ODA BY AID CATEGORY 2007–2016 (IN CHF MILLION)



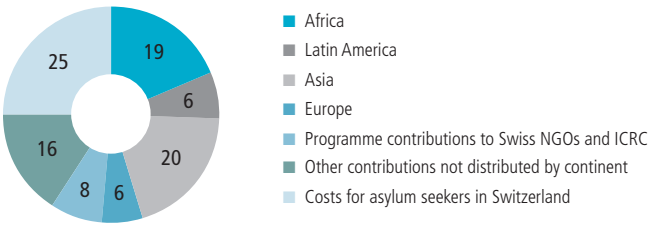
This graph shows the evolution of ODA by aid category over the last ten years:

- the share of SDC/SECO development cooperation with the countries of the South decreased from 54% to 50% of total ODA between 2015 and 2016;
- the SDC's humanitarian aid activities also decreased to 14% of total ODA in 2016 (16% in 2015);
- the share of SDC/SECO cooperation with Eastern Europe (7% in 2016) has remained stable since 2009 (between 6 and 7%);
- asylum-related costs accounted for more than 19% of ODA in 2016, compared with 14% in 2015.

The remainder of ODA expenditure includes various federal contributions, in particular through the Human Security Division (HSD) and the Federal Office for the Environment (FOEN), as well as the international cooperation activities of the Swiss cantons and communes. Together, these totalled 10% of ODA in 2016 (9% in 2015).

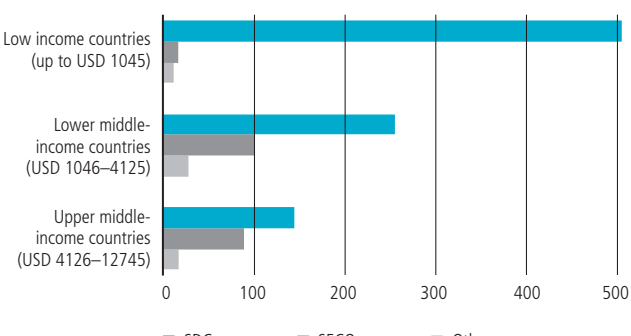
Graph 3

BREAKDOWN OF BILATERAL ODA BY CONTINENT 2016 (IN %)



Graph 4

BILATERAL ODA BY INCOME CATEGORY 2016 (IN CHF MILLION)



See the list of ODA recipients by income category (GNI per capita):
http://www.oecd.org/dac/stats/daclist.htm

Table 3

GEOGRAPHICAL BREAKDOWN OF BILATERAL ODA BY CONTINENT AND COUNTRY 2015–2016 (IN CHF MILLION)[a]

	2016 [p]	2015 [r]
Africa	**518.4**	**630.0**
Mali	30.2	33.0
Burkina Faso	29.8	37.0
Tanzania	26.8	31.1
Niger	26.8	28.6
Chad	24.4	24.3
Mozambique	22.4	38.1
Somalia	22.2	22.1
South Sudan	21.5	30.6
Benin	20.8	20.8
Tunisia	19.3	23.9
Congo (Democratic Republic)	18.9	20.5
Ghana	12.0	17.8
Nigeria	10.9	7.1
Ethiopia	10.7	19.0
Egypt	9.7	19.0
Sudan	8.8	14.8
South Africa	8.1	14.6
Other countries	59.7	97.1
Africa, regional	135.6	130.5
Latin America	**178.2**	**220.9**
Colombia	28.7	28.5
Peru	26.7	29.3
Bolivia	23.0	35.7
Nicaragua	20.8	20.4
Haiti	18.2	19.2
Cuba	14.4	10.9
Honduras	14.1	20.0
Other countries	3.4	12.3
Latin America, regional	29.0	44.6

a The programme contributions for 2016 (CHF 125.9 million) are not broken down by country, as detailed information was not yet available at the time of publication.

	2016 p	2015 r
Asia	**543.5**	**610.3**
Nepal	43.9	50.7
Myanmar	37.1	38.8
Vietnam	32.9	23.9
Afghanistan	30.7	33.7
Syria	29.7	39.8
Occupied Palestinian Territory	27.5	29.8
Bangladesh	25.1	36.0
Kyrgyzstan	21.3	25.8
Mongolia	21.2	23.8
Indonesia	20.7	13.5
Tajikistan	19.3	30.1
Laos	18.3	19.2
Pakistan	17.7	18.2
Jordan	14.9	14.2
Cambodia	14.7	14.2
Lebanon	14.5	18.1
Sri Lanka	12.3	7.1
North Korea	11.6	9.5
Georgia	11.2	14.0
Iraq	10.7	15.0
Yemen	9.4	11.1
China	9.4	13.1
India	8.6	22.2
Other countries	18.4	20.8
Asia, regional	62.5	68.0
Europe	**174.4**	**179.3**
Ukraine	30.5	30.2
Kosovo	23.4	26.4
Serbia	23.2	17.4
Bosnia and Herzegovina	22.9	23.8
Macedonia	21.6	16.2
Albania	20.4	21.4
Moldova	13.4	14.9
Other countries	0.9	3.4
Europe, regional	18.0	25.6
Other contributions not distributed by continent	**1 327.1**	**985.7**
Total bilateral ODA	**2 741.6**	**2 626.2**

Table 4

SWISS MULTILATERAL ODA BY ORGANISATION 2015–2016 (IN CHF MILLION)

United Nations organisations
UN Development Programme (UNDP)
UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)
UN Children's Fund (UNICEF)
United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)
UN Population Fund (UNFPA)
International Fund for Agricultural Development (IFAD)
Office of the UN High Commissioner for Refugees (UNHCR)
UN Programme on HIV/AIDS (UNAIDS)
Central Emergency Response Fund (CERF)
World Food Programme (WFP)
UN Environment Programme (UNEP)
UN Office for the Coordination of Humanitarian Affairs (OCHA)
Special programmes of the World Health Organisation (WHO) [a]
Contributions to UN organisations reportable in part in ODA [b]
Other UN organisations
International Financial Institutions
International Development Association (IDA) [c]
African Development Fund (AfDF) [c]
Asian Development Fund (AsDF)
Other development funds and banks
Other international organisations
Green Climate Fund (GCF)
Global Environment Facility (GEF)
The Global Fund to Fight AIDS, Tuberculosis and Malaria
Consultative Group on International Agricultural Research (CGIAR)
Geneva Centre for the Democratic Control of Armed Forces (DCAF)
Geneva International Centre for Humanitarian Demining (GICHD)
Other institutions
Total multilateral ODA

a Excl. the core contribution to WHO, which is reportable in part (see b).
b Percentages applied according to DAC directives.
c Incl. Multilateral Debt Relief Initiative (MDRI).

2016 P	2015 r
233.0	**226.6**
60.0	60.0
22.0	22.9
22.0	22.0
16.0	16.0
16.0	16.0
15.1	9.5
15.0	15.0
11.5	10.0
8.0	10.0
6.5	6.0
4.3	4.3
3.0	2.5
2.5	3.0
26.5	22.4
4.6	7.0
393.8	**409.1**
284.1	284.1
79.9	80.8
12.0	12.0
17.8	32.2
141.4	**134.3**
33.7	28.9
30.8	30.3
20.0	20.0
16.8	15.5
11.3	10.9
9.3	8.7
19.6	20.0
768.2	**770.1**

Multilateral ODA includes general contributions from the SDC and other federal agencies to international development institutions. Switzerland's share of multilateral ODA was 22% of total ODA in 2016, which was lower than that of all DAC members (28%).

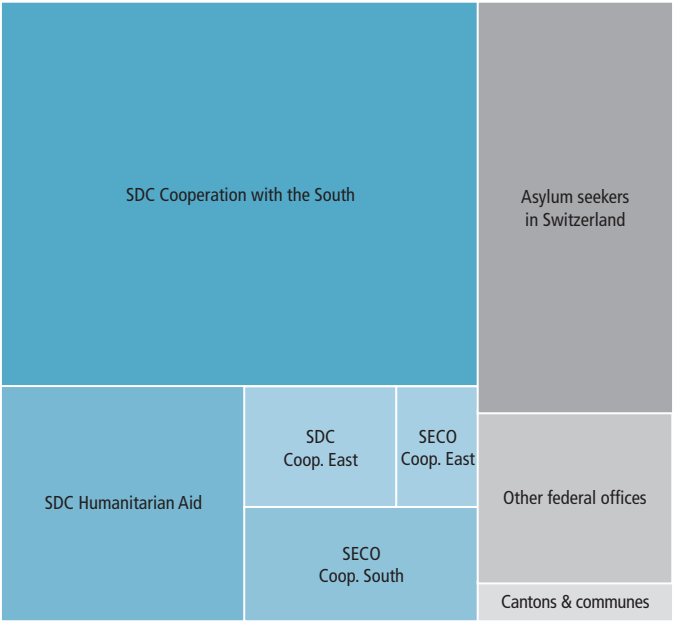
Contributions to international non-governmental organisations, including the International Committee of the Red Cross (ICRC), are considered bilateral ODA and therefore do not appear in this table.

Multilateral cooperation is based on three pillars. As in previous years, in 2016 international financial institutions (IFIs) were the main beneficiaries of Switzerland's multilateral ODA (51%). United Nations agencies and other international organisations absorbed 30% and 19% respectively of multilateral ODA.

According to international directives, SDC's contributions to IFIs are registered as ODA at the time of depositing of promissory notes and not at the time of encashement. This explains the differences with the state financial statements, where encashments from prior promissory notes are spread over several years.

Graph 5

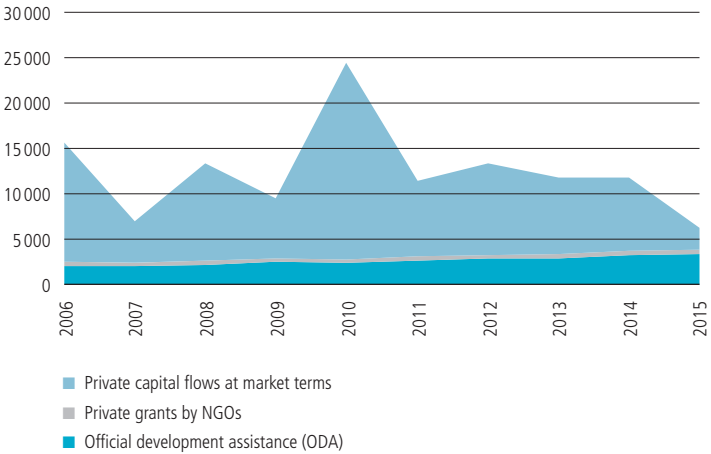
THE FOUR FRAMEWORK CREDITS OF THE INTERNATIONAL COOPERATION AND THE OTHER COMPONENTS OF ODA



This diagram shows the structure of Switzerland's ODA and illustrates the proportion of each of its main components in relation to total payments. Most of the ODA is funded through the four framework credits for the international cooperation of the Swiss Confederation, shown in blue in the graph. In accordance with international guidelines, contributions from other federal offices, cantons and communes, as well as costs for asylum seekers, are also included in the calculation of ODA.

Graph 6

SWISS NET FINANCIAL FLOWS TO DEVELOPING COUNTRIES 2006–2015 (IN CHF MILLION)[a]



a As the private contributions data for 2016 was not available at the time of publication of the Annual Report, the graph shows Switzerland's financial flows until 2015.

Development financing is currently undergoing a period of rapid change. Private capital flows (mainly direct investment and guaranteed export credits) account for a large but fluctuating share of net financial flows from Switzerland to developing countries.

Other resources not included in the DAC statistics add to these flows, such as workers' remittances. These remittances sent by expatriate workers from Switzerland to developing countries amounted to almost CHF 2 billion per year between 2013 and 2015, more than double the volume in comparison with the previous three years 2010–12.

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Expenditure SDC/SECO

PAGES 20–34

Table 5

OVERVIEW OF SDC / SECO EXPENDITURES 2012–2016 (IN CHF MILLION)

Total expenditures SDC
Humanitarian aid
Development cooperation
Cooperation with Eastern Europe
Contribution to EU enlargement

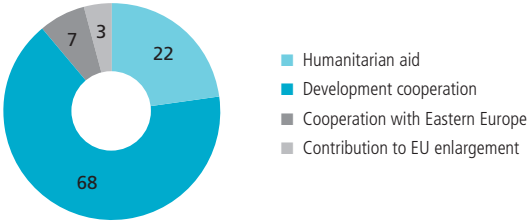
Total expenditures SECO
Development cooperation
Cooperation with Eastern Europe
Contribution to EU enlargement

The table and graphs show the financial results for the SDC and SECO (Economic Cooperation and Development Division) as shown in the state financial statements, excluding return flows.

The framework credits for humanitarian aid, development cooperation and cooperation with Eastern Europe decreased in 2016 as a result of the savings measures decided in the budget process of the Confederation.

Graph 7.1

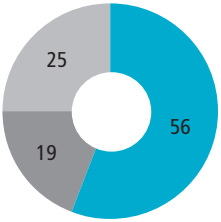
SDC EXPENDITURES BY FIELD OF ACTIVITY 2016 (IN %)



2012	2013	2014	2015	2016
1 848.7	**2 045.1**	**2 228.2**	**2 357.3**	**2 222.2**
337.7	387.2	463.0	539.9	481.1
1 338.8	1 419.5	1 496.8	1 562.9	1 523.3
109.0	129.1	148.5	164.2	155.6
63.2	109.3	119.9	90.3	62.1
300.7	**334.8**	**394.0**	**445.5**	**448.5**
214.6	220.8	246.4	272.7	252.7
72.0	88.2	90.9	81.0	82.7
14.1	25.8	56.7	91.8	113.1

Graph 7.2

SECO EXPENDITURES BY FIELD OF ACTIVITY 2016 (IN %)



- Development cooperation
- Cooperation with Eastern Europe
- Contribution to EU enlargement

Table 6

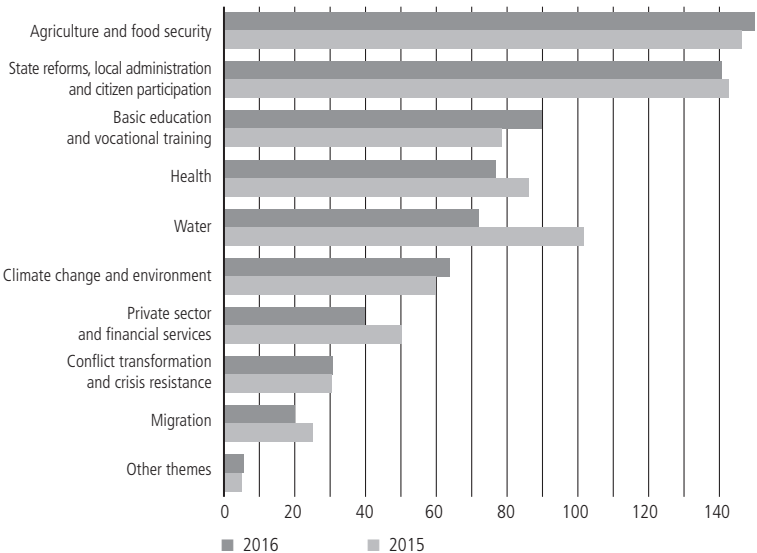
SDC DEVELOPMENT COOPERATION BY PRIORITY COUNTRY AND REGION 2015–2016 (IN CHF MILLION)

	2016	2015
Priority countries and regions [a]	**538.8**	**554.6**
Mekong	68.7	65.5
Nepal	40.9	38.7
Central America	35.8	37.4
Hindukush	35.8	38.9
Great Lakes	34.0	32.2
Bangladesh	27.3	30.9
Southern Africa	26.1	29.0
Tanzania	26.1	26.3
Horn of Africa	23.4	21.7
Mozambique	22.4	28.8
Mali	22.0	22.0
Niger	21.4	22.6
Bolivia	21.3	29.4
Chad	21.0	18.8
Benin	20.8	18.6
Mongolia	20.7	23.3
Burkina Faso	20.2	21.3
North Africa	15.2	19.0
Occupied Palestinian Territory	15.0	14.6
Cuba	13.7	9.3
Haiti	7.1	6.3
Other activities	**455.5**	**443.5**
Other countries and regions	112.2	101.8
Programme contributions to NGOs	106.7	112.7
Thematic mandates and operating costs	236.6	229.0
Bilateral development cooperation	**994.3**	**998.1**
Multilateral development cooperation	**529.0**	**564.9**
Total	**1 523.3**	**1 562.9**

a For a composite overview of priority regions, please see map in the Annual Report 2016 (pp. 24–25).

Graph 8

SDC DEVELOPMENT COOPERATION BILATERAL EXPENDITURES BY THEME 2015–2016 (IN CHF MILLION)[a]



a Excluding programme contributions to Swiss NGOs, multisectoral activities and operating costs.

This graph shows the allocation of resources according to the specialised themes in which the SDC concentrated its bilateral development cooperation activities in 2015 and 2016.

The SDC also operates through global programmes to encourage innovation and knowledge exchange in the following five areas: climate change and environment, food security, migration and development, water and health.

Table 7

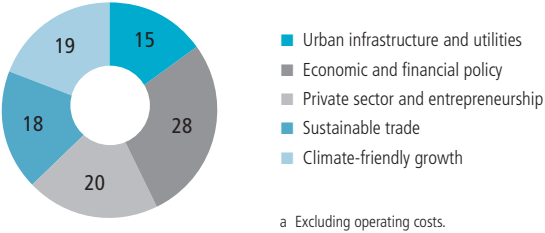
SECO DEVELOPMENT COOPERATION BY PRIORITY COUNTRY 2015–2016 (IN CHF MILLION)

	2016	2015
Priority countries	**118.7**	**114.6**
Vietnam	31.2	18.2
Indonesia	23.8	16.6
Peru	17.6	19.5
Colombia	15.8	10.1
Ghana	11.9	17.3
Tunisia	7.9	13.3
South Africa	7.2	11.8
Egypt	3.3	7.8
Other activities	**134.0**	**158.1**
Global/regional programmes and other countries, various contributions [a]	116.0	139.3
Operating costs (except priority countries)	18.0	18.8
Total	**252.7**	**272.7**

a Significant complementary programs to the SDC measures have been implemented in Burkina Faso, Jordan and Nepal.

Graph 9

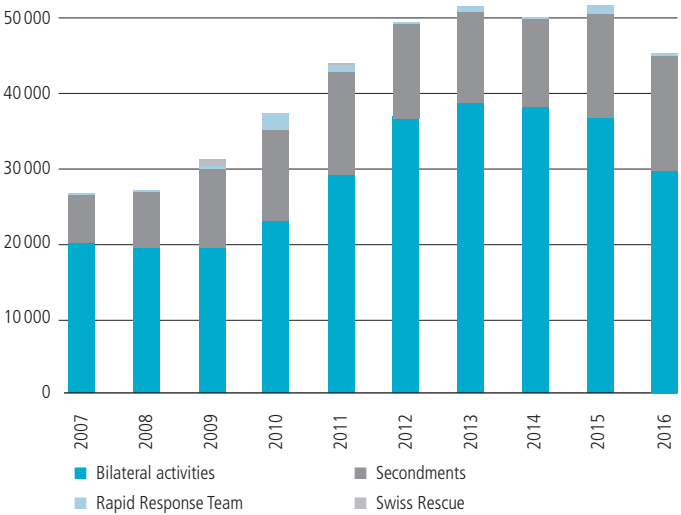
SECO DEVELOPMENT COOPERATION BY THEME 2016 (IN %) [a]



a Excluding operating costs.

Graph 10

SWISS HUMANITARIAN AID UNIT (SHA) 2007–2016 (MISSION DAYS ABROAD)



Graph 11

HUMANITARIAN AID BY STRATEGICAL FIELDS 2014–2016 (IN %)

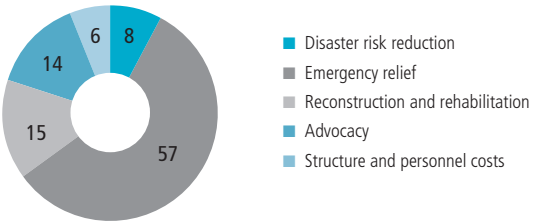


Table 8

SDC HUMANITARIAN AID BY CONTINENT AND COUNTRY 2015–2016 (IN CHF MILLION)

	2016	2015
Africa	**117.3**	**139.3**
South Sudan	19.4	24.9
Somalie	11.4	10.0
Nigeria	9.6	5.2
Congo (Democratic Republic)	9.2	9.9
Sudan	8.6	13.3
Central African Republic	6.4	9.2
Ethiopia	6.1	11.1
Mali	6.1	6.9
Marocco	5.2	6.3
Niger	5.2	3.2
Madagascar	4.2	3.6
Chad	3.2	3.3
Algeria	2.9	3.6
Burundi	2.6	1.3
Libya	2.1	2.2
Kenya	1.9	6.7
Liberia	1.7	3.5
Cameroon	1.1	2.2
Lesotho	1.0	–
Other countries	4.3	10.4
Africa, regional	5.1	2.5
Latin America	**30.5**	**29.0**
Colombia	11.1	11.3
Haiti	10.8	8.5
Ecuador	1.9	–
Bolivia	1.6	2.5
Nicaragua	1.2	1.5
Other countries	1.5	2.3
Latin America, regional	2.4	3.0

	2016	2015
Asia	**125.6**	**163.3**
Syria [a]	25.3	34.6
Myanmar	12.3	13.1
Occupied Palestinian Territory [a]	11.8	12.0
Jordan [a]	11.7	12.3
North Korea	11.5	9.4
Lebanon [a]	11.3	15.0
Iraq	10.3	14.2
Yemen	9.2	10.9
Afghanistan	7.9	5.9
Pakistan	4.6	4.0
Tajikistan	2.5	2.5
Georgia	1.7	2.7
Nepal	1.5	3.0
Sri Lanka	1.0	5.3
Other countries	0.9	3.4
Asia, regional	2.1	14.9
Europe	**3.3**	**4.2**
Ukraine	3.0	3.3
Other countries	0.2	0.9
Europe, regional	0.2	–
Other activities, not distributed geographically	**204.3**	**204.0**
General contribution to the International Committee of the Red Cross (ICRC)	80.0	80.0
Contributions to international organisations	56.5	58.1
Programme contributions to NGOs	12.9	12.2
Various contributions and operating costs	54.9	53.7
Total	**481.1**	**539.9**

a The general contributions to UNRWA are recorded under "Contributions to international organisations". These amounts of CHF 22.0 million in 2016 (CHF 22.9 million in 2015) are distributed as follows: CHF 11.7 million in Occupied Palestinian Territory, CHF 4.8 million in Jordan, CHF 3.1 million in Lebanon and CHF 2.4 million in Syria.

Table 9

PARTNERS OF SDC HUMANITARIAN AID 2016 (IN CHF MILLION)

United Nations organisations
World Food Programme (WFP)
Office of the UN High Commissioner for Refugees (UNHCR)
UN Office for the Coordination of Humanitarian Affairs (OCHA)
UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA)
UN Children's Fund (UNICEF)
Other UN organisations
International Committee of the Red Cross (ICRC)
Other partners and direct interventions
Swiss NGOs
International organisations and foreign NGOs
Direct interventions by the Swiss Humanitarian Aid Unit (SHA) and Swiss Rescue
Private sector and research institutes
Operating, personnel and material expenditures
Total Humanitarian aid 2016
Total Humanitarian aid 2015

a This figure includes CHF 18.4 million (CHF 19.8 million in 2015) in Swiss dairy products and CHF 12.9 million (CHF 13.8 million in 2015) in grain.

General contributions	Specific contributions	Food aid	Total
55.8	**85.0**	**24.8**	**165.5**
6.5	28.1	24.8	59.3
15.0	19.8	–	34.8
11.0	18.3	–	29.3
22.0	2.9	–	24.9
–	6.0	–	6.0
1.3	9.8	–	11.1
80.0	**65.5**	–	**145.5**
0.7	**162.9**	**6.5**	**170.1**
–	26.1	5.2	31.2
0.7	60.5	0.3	61.6
–	34.3	1.0	35.2
–	4.0	–	4.0
–	38.1	–	38.1
136.5	**313.3**	**31.2**[a]	**481.1**
138.1	368.1	33.6[a]	539.9

Table 10

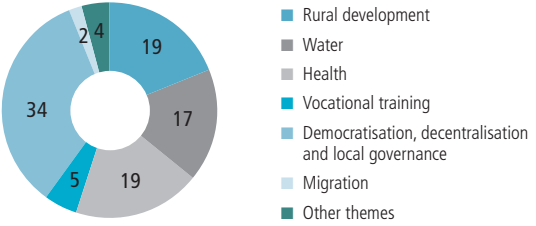
SDC COOPERATION WITH EASTERN EUROPE BY PRIORITY COUNTRY AND REGION 2015–2016 (IN CHF MILLION)

	2016	2015
Priority countries and regions [a]	**136.4**	**136.0**
Central Asia	30.8	34.0
South Caucasus	17.7	17.2
Kosovo	17.0	14.7
Bosnia and Herzegovina	13.8	13.9
Moldova	13.0	12.8
Albania	12.5	11.6
Serbia	12.2	12.0
Macedonia	10.7	10.9
Ukraine	8.7	8.7
Other activities	**19.2**	**28.2**
Other countries and regions	3.6	11.5
Programme contributions to NGOs	6.3	5.5
Core contribution to IDEA	1.1	1.3
Various contributions and operating costs	8.2	10.0
Total	**155.6**	**164.2**

a For a composite overview of priority regions, please see map in the Annual Report 2016 (pp. 24–25).

Graph 12

SDC COOPERATION WITH EASTERN EUROPE BY THEME 2016 (IN CHF) [a]



a Excluding programme contributions to Swiss NGOs, multisectoral activities and operating costs.

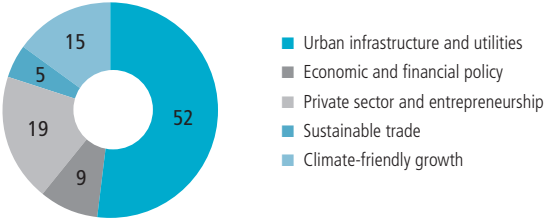
Table 11

SECO COOPERATION WITH EASTERN EUROPE BY PRIORITY COUNTRY 2015–2016 (IN CHF MILLION)

	2016	2015
Priority countries	**72.0**	**72.0**
Ukraine	14.8	10.4
Macedonia	10.7	4.9
Serbia	10.0	3.6
Kyrgyzstan	8.4	12.6
Albania	7.8	8.9
Bosnia and Herzegovina	7.1	7.8
Tajikistan	5.3	14.0
Kosovo	5.1	8.9
Azerbaijan	2.7	1.1
Other activities	**10.6**	**9.0**
Regional programmes and other countries, various contributions	5.2	4.1
Operating costs (except priority countries)	5.5	4.9
Total	**82.7**	**81.0**

Graph 13

SECO COOPERATION WITH EASTERN EUROPE BY THEME 2016 (CHF)[a]



a Excluding operating costs.

Table 12

SDC PARTNERS IN BILATERAL ACTIVITIES 2016 (IN CHF MILLION)[a]

Swiss NGOs and centres of excellence
Main institutional partnerships:
HELVETAS Swiss Intercooperation
Swisscontact
Swiss Red Cross
Fondation Terre des Hommes (Lausanne)
Caritas Switzerland
Swiss Interchurch Aid (EPER)
Enfants du Monde
Bread for all
Médecins sans Frontières (MSF)
Solidar Switzerland
Swissaid
Catholic Lenten Fund
Education 21
Pestalozzi Children's Foundation
COMUNDO
Swiss research and university institutions
Swiss private sector
Swiss public sector
United Nations organisations, multi-bilateral activities
International financial institutions, multi-bilateral activities
Other foreign and international organisations
of which: International Committee of the Red Cross (ICRC)
Organisations in the South and the East
Total Partners
Direct interventions, operating costs
Total 2016
Total 2015

	Specific mandates and projects			
Programme contributions [b]	Humanitarian aid	Dev. coop.	Coop. East	Total
125.9	**18.4**	**126.5**	**21.5**	**292.4**
10.7	0.2	37.0	14.6	62.5
6.0	–	27.7	1.5	35.2
11.1	3.4	1.3	2.1	17.9
10.5	1.6	2.8	–	14.9
11.1	0.7	2.2	–	14.1
8.0	–	–	0.5	8.5
2.8	–	4.3	–	7.1
7.0	–	–	–	7.0
7.0	–	–	–	7.0
3.9	0.4	2.6	–	6.9
6.5	–	–	–	6.5
6.2	–	–	–	6.2
3.6	–	–	–	3.6
3.1	–	0.1	–	3.2
3.0	–	–	–	3.0
–	**1.2**	**37.0**	**6.8**	**45.0**
–	**1.0**	**28.3**	**3.9**	**33.3**
–	**0.9**	**1.0**	**0.2**	**2.1**
–	**109.8**	**115.1**	**23.4**	**248.3**
–	**1.0**	**66.6**	**8.9**	**76.5**
–	**195.4**	**149.9**	**30.8**	**376.1**
–	145.5	–	–	145.5
–	**12.1**	**174.4**	**24.1**	**210.7**
125.9	**339.9**	**698.9**	**119.6**	**1 284.4**
–	**71.7**	**189.5**	**28.7**	**289.9**
125.9	**411.7**	**887.6**	**148.3**	**1 573.5**
130.4	469.6	885.3	157.4	1 642.8

a Excl. SDC contribution to EU enlargement (CHF 62.1 million in 2016).
b Core contributions to NGOs for development and humanitarian programmes in countries of the South and the East as well as to centres of excellence for awareness activities.

Table 13

SWISS ENLARGEMENT CONTRIBUTION TO THE EUROPEAN UNION 2015–2016 (IN CHF MILLION)

	2016	2015
Countries	**170.6**	**177.1**
Poland	87.4	73.6
Lithuania	17.1	9.5
Hungary	13.2	22.6
Romania	12.9	18.3
Slovaka	12.8	20.1
Czech Republic	12.7	13.8
Bulgaria	5.9	5.4
Latvia	3.8	5.2
Estonia	3.2	6.0
Cyprus	1.5	0.4
Slovenia	0.2	1.9
Malta	–	0.3
Various contributions and operating costs	4.6	5.0
Total	**175.2**	**182.1**

Since 2008, the SDC and SECO have jointly implemented Switzerland's contribution to the enlargement of the European Union (EU), aimed at reducing economic and social disparities within the enlarged EU.

The SDC and SECO programmes aim to stimulate economic growth, improve working conditions, the social security system and public security, ensure environmental protection and strengthen civil society.

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